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Daily Report
Latin America

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Signing of Free Trade Agreement Postponed

PA1012151193 San Salvador Canal Doce Television in Spanish 0300 GMT 7 Dec 93

[From the "Up-to-Date" newscast]

[Text] Official sources reported today that the signing of an agreement to create a free trade zone between Central America, Colombia, and Venezuela has been postponed indefinitely because the South American countries hardened their position and put restrictions on their offers. Economy Minister Luis Enrique Cordoba said that negotiations between Central America and the South Americans have suffered a slight setback because the latter downgraded their export offers. The agreement was to have been signed Friday.

Rio Group Urges 'Balanced Treatment' at GATT

PY1112192993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1310 GMT 11 Dec 93

[Text] Geneva, 11 Dec (AFP-NA)—In Geneva today the Rio Group countries reported their common decision "to intensify negotiations" at the Uruguay Round of GATT to ensure that its conclusion yields a balanced treatment for the developing countries.

In a communique given to AFP by Chilean Ambassador Ernesto Tironi, the Rio Group countries express their "decision to intensify multilateral and bilateral negotiations in order to achieve an indispensable overall balance."

The group of 13 countries protested "their main trade partners' lack of receptivity to the demands of the Rio Group countries regarding priority issues."

According to data of the GATT itself, so far the issues agreed upon at the Uruguay Round are more favorable to the developed countries than to the developing countries.

According to the Rio Group decision, negotiations must continue to ensure "that the Uruguay Round benefits meet the requirements agreed upon in the Punta del Este declaration," which was signed in 1986 when the Uruguay Round negotiations began. In that declaration, the principle calling for a "differentiated treatment" for the developing countries was recognized by GATT for the first time.

In the communique, the Rio Group expresses "its concern over some of the Uruguay Round results, which only benefit the industrialized countries and have no apparent advantages for the developing countries' trade interests, particularly for Rio Group countries."

It also expresses "its disagreement with the new flexibility of agricultural rules resulting from the loosening of the Blair House pre-agreement requirements, as well as with the amendments to the Animal and Plant Health Accord Project," which creates technical obstacles to the developing countries' agriculture and livestock exports.

The Rio Group is comprised of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, El Salvador, Jamaica, Mexico, Paraguay, Peru, Uruguay, and Venezuela.

The developing countries' main disagreements with the developed countries are on tropical products, and in particular bananas, fish, textile products, copper, and grains exports.

The Rio Group communique coincided with the celebration in Geneva today of a quadrilateral meeting of ministerial level representatives from Canada, the EEC, Japan, and the United States.

Caribbean Human Rights Group Issues Statement

FL1012004193 Bridgetown CANA in English 2114 GMT 9 Dec 93

[Text] Bridgetown, Barbados, 9 Dec (CANA)—Caribbean Rights, the human rights watchdog, on Thursday listed the restoration of constitutional government in Haiti and the need for fresh general election in St. Kitts and Nevis among its major concerns.

A statement to mark International Human Rights Day Friday, the Barbados-based regional human rights network also reaffirmed its opposition to the death penalty and corporal punishment. In denouncing what it called the rising incidence of rape and other violent crimes, Caribbean Rights appealed for public co-operation with the police services in battling crime and upholding the rule of law. But it warned against continuing "abuse of police powers" and urged members of the region's police services "not to substitute themselves for a court of law."

The network's chairman, Caleb Morales Deleon, and executive secretary, Victor Cuffy in a statement released on the eve of International Human Rights Day, Caribbean Rights said:

"Our network takes this opportunity of International Human Rights Day to place before the region's governments and public some major human rights issues of concern in the Caribbean region. Foremost among these in terms of political rights and democracy is the urgent need for Caribbean governments and representative non-government organisations to exercise all possible initiatives to influence the international community to resolutely pursue the restoration of constitutional and democratic government in the Republic of Haiti under President Jean-Bertrand Aristide.

"Nearer home, we look forward to a speedy peaceful resolution to the political crisis in St. Kitts and Nevis arising from the results of the general election on November 29. We repeat that the circumstances demand the creation of an interim, broad-based government with the scheduling of fresh general election as an urgent priority. The current political status quo with a minority regime can only be sustained at the expense of the twin-island federation whose future is being seriously endangered by political instability and threats to civil liberties," Caribbean Rights said.

"As a regional human rights body opposed to the death penalty, we are happy to note that the recent landmark ruling by the judicial committee of the Privy Council in the appeals of Earl Pratt and Ivan Morgan has already had the immediate effect of sparing many death row prisoners in the Caribbean community from the gallows. We sincerely hope that rather than rushing to expedite judicial executions of those under sentences of death for murder, Caribbean governments would instead vigorously work collectively to improve the general administration of justice system and pay serious attention to penal reform and in particular to rehabilitation of young and first offenders.

"Further, Caribbean Rights remain opposed to corporal punishment as inhumane and degrading treatment."

Caribbean Rights urged the region's governments to "systematically collaborate with each other as they negotiate with the international financial institutions to avoid pitfalls that could have disastrous consequences for the living standard and basic rights of the peoples of the region."

It deplored "the alarming rise in violent crimes and the incidence of rape, a heinous act that mocks human sexuality and so brutally degrades the victims". It urged governments "to honour their pledges to advance the rights of women and specifically to make a reality of those rights protected by international covenant and instruments."

It appealed to policemen "to revisit their 'mission statements', uphold the rights of persons in their custody and not to substitute themselves for a court of law."

It urged "all segments of every Caribbean society ... to give their full co-operation to the police in the performance of their duties in the interest of our own physical security and the rule of law."

Cuba

Fidel Castro Meets With European Parlimentarians

FL1112155693 Havana Radio Reloj Network in Spanish 1501 GMT 11 Dec 93

[Text] Commander in Chief Fidel Castro has met with 17 members of the European Parliament from diverse political groups participating in the workshop "Cuba in the 90's: Its Reincorporation Into the International Economy and the Role of Europe." The event, held from 6-9 December in Havana, was organized by the Center for European Studies of Cuba and the Institute for European-Latin America Relations [Irela] of Madrid, Spain, among other institutions.

The GRANMA newspaper adds that various issues of interest, mainly the activity of the Parliament and the European Union, was discussed during the meeting, which was described as frank and friendly. Several officials participated in the workshop, including European Parliament Deputy Fernando Suarez, president of the delegation for Central America and Mexico.

EU Relations Workshop Ends

PA1112032693 Havana Radio Havana Cuba in Spanish 1300 GMT 10 Dec 93

[From the "Morning Information Review"]

[Text] Upon the conclusion in Havana of an international workshop on the role of Europe on Cuban development, representatives of Cuba and the EU have expressed their desire to continue the dialogue in order to reach a cooperation accord. Organized by the Center of European Studies of Havana and the Institute of Latin American-European Relations in Madrid, the participants described the meeting as a discussion of positions on the future ties between the EC and Cuba.

Rosario Navas, Cuban ambassador to the European Commission in Brussels, cited as a slow but productive advancement in relations the recent approval by the European Parliament of the resolution condemning the United States for the extraterritorial application of the blockade against Cuba. She said an agreement between the two parties would give stability to those relations.

Fernando Suarez, president of the European Parliament group for relations with Central American countries and Mexico, explained that the two conditions to reach agreements with the Community are respect for human rights and the desire for transition to a market economy.

Isabel Allende, deputy Cuban foreign minister, responded that the [word indistinct] and judgment of participants in the region will provide a definitive response. The official asserted that the Cuban Government has the desire to change and yield what it deems necessary, but she asked for time and liberty for Cuba to take its own actions.

Castro, Robaina Close Meeting

PA1212142893 Havana Radio Havana Cuba in Spanish 1300 GMT 12 Dec 93

[From the "Morning Information Review"]

[Text] In Havana, President Fidel Castro stressed that the aid Cuba receives from Europe constitutes a boost of energy amid the island's struggle to defend the fatherland, the revolution, and the socialist achievements. Addressing the closing session of the European Meeting on Solidarity with Cuba, Castro said that the hatred and vicious attacks against the Cuban Revolution is in response to the country's refusal to adopt the neoliberal ideology, which is what capitalism is offering today's world and features poverty and hunger. Fidel Castro pointed out that while the world's more industrialized nations offer the globalization of the economy, blind market laws, and the right to intervene in any country—such as in the case of Somalia under the pretext of humanitarian aid—they forget to globalize the problems of ecology.

Upon closing the European Meeting on Solidarity with Cuba, Cuban Foreign Minister Roberto Robaina says that the country resorts to international solidarity with honor and with the commitment that this entails. He highlighted that showing solidarity for Cuba now means defending the hope of the humble and the right to self determination and independence. The meeting's final declaration calls upon the U.S. Government to lift the blockade against Cuba.

More on End of Meeting

FL1212233893 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 12 Dec 93

[Passages within quotation marks are recorded]

[Excerpt] We have more information on the closing of the European Meeting on Solidarity With Cuba at which Commander in Chief Fidel Castro spoke. Fidel said, in reference to the blockade against Cuba:

"The socialist bloc has collapsed. They no longer have the excuse of the threat of communism, no longer have any kind or argument to try to justify it. They have none. They do it simply because they want to do it, regardless. They want to rule us, want to impose on us a system of their choosing.

"In other words, under this situation, the struggle and life are truly hard for us. We cannot harbor any expectations. The only expectation we can have is the struggle of our people and the peoples of the world, the pressures of the peoples of the world, the increased awareness that what that powerful nation does against us is not only criminal and unjustified but ridiculous.

"They criticize us for not having this or that. It is like strangling someone, hanging someone from a tree, and then criticizing him for not breathing." [laughter/applause]

The top leader of the Revolution stresses that [words indistinct] while entering illegally into the United States in violation of U.S. laws. Later, Castro pointed out that [words indistinct] of the United Nations and asked: "Are we going to solve world hunger by killing the people with guns?"

Regarding the goals of global support, Fidel pointed out: "They want to kill our people's example. They do not want to leave a trace of dignity, independence, and progressive spirit in the world because this is not the ideology for global control of the economy under neoliberal principles. This is not the ideology of the transnationals—to tell the truth. This explains the hate against us and the cruelty against us. This is the reason of the importance for Cuba and the world....[pauses] We all are defending a common cause, ours and yours, that of the Third World and the entire world when we speak of these problems, when we stress these ideas, and when we fight for them. I believe that this pressure alone, sooner or later, will eliminate the conditions under which our people has to struggle today, has to try to develop." [passage omitted]

Castro Thanks Participants

FL1212221793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 12 Dec 93

[Text] Commander in Chief Fidel Castro today closed the European Meeting on Solidarity with Cuba, which began in Havana on Monday. The 272 delegates gave Fidel Castro a warm welcome and showed special interest when Castro gave them a detailed explanation of the dangers the globalization of world economy represents for the ecology and the planet's survival. The first secretary of the Communist Party of Cuba thanked the European delegates for their solidarity with the Cuban Revolution and for the efforts made by those delegates who traveled across the ocean at their own expense.

Foreign Minister Roberto Robaina also spoke at the closing ceremony. Robaina said that this meeting helped bring us together in a common cause. The foreign minister said: Solidarity is not measured in kilograms or tons; it is measured in heart beats.

The delegates approved a final declaration and several agreements, one of which calls for considering 1994 as the year for solidarity with Cuba. A special chapter was given to a plan suggested by the Reverend Lucius Walker of the United States.

[Begin unidentified speaker recording] We are going to support the Third U.S.-Cuban Friendship Caravan organized by Pastors for Peace. [end recording]

Regarding this same issue it was agreed that:

[Begin second unidentified speaker recording] Every time a truck leaves one of the countries, a huge solidarity gathering will be held and as much publicity as possible will be given the event. [end recording]

Lage Bids Delegates Farewell

FL1312025893 Havana Radio Reloj Network in Spanish 0200 GMT 13 Dec 93

[Text] Carlos Lage Davila, member of the Politburo of the Central Committee of the Communist Party of Cuba, bade farewell to a group of European parliamentarians who attended the "Cuba in the 90's: Its Reincorporation Into the International Economy and the Role of Europe" workshop. Lage talked to several of the parliamentarians at the airport. The parliamentarians described Lage's presence at the airport as a very gracious gesture on his part. Lage, who is also secretary of the Council of Ministers, said that the workshop was very rewarding and everyone was very pleased with the results, which will become another window to the world for Cuba. Lage added: This is very important for a positive opening of our international trade and relations.

Meanwhile, Eusebio Cano, of the Spanish Socialist Workers Party, described the workshop as very satisfactory. Cano added that the meeting represented a real condemnation for the U.S. blockade against Cuba.

Foreign Minister, Delegation Travel to Colombia

FL1212213293 Havana Radio Reloj Network in Spanish 2030 GMT 12 Dec 93

[Text] Today Cuban Foreign Minister Roberto Robaina said that preparations for the Fourth Ibero-American Summit will be one of the main topics he will broach with Colombian President Cesar Gaviria. Robaina arrived in Colombia on a three-day official visit during which a mixed bilateral commission will be created and documents ratifying economic and technical-scientific cooperation will be exchanged.

Accompanied by more than 20 high-level officials and specialists in various fields, Robaina was greeted by Colombian Deputy Foreign Minister (Vilma Safra), and by the Colombian ambassador to Cuba and the Cuban ambassador to Colombia. Robaina said that Cuba does not view economic cooperation as aid but rather as an exchange which will be beneficial for the two countries. The foreign minister said Cuba can offer its experience in various areas.

Robaina on Purpose of Visit

PA1212223493 Santa Fe de Bogota Emisoras Caracol network in Spanish 1714 GMT 12 Dec 93

[From "The Midday Newscast," by Luz Miriam Quintero]

[Text] Santa Fe de Bogota—Upon arrival this morning in Colombia, Cuban Foreign Minister Roberto Robaina said that he is in good spirits and disposed to strengthening communication and trade with the country.

During his visit, which will last three days, the Cuban foreign minister will meet with Colombian President Cesar Gaviria early on 13 December to discuss binational matters related to preparations for the forthcoming Iberian-American Summit to be held in Cartagena as well as issues aimed at strengthening commerce.

[Begin recording] [Robaina] We are here on an invitation from the government. I think we have maintained in recent times a certain communication and trade level whose most evident expression is the recent establishment of diplomatic relations. I believe that there is a communication and trade level that both governments are interested in maintaining. We are here for this purpose, responding to an invitation, and I am not here alone. I am well accompanied.

[Unidentified reporter] What will be the main issue of your talks with President Gaviria tomorrow, during your first meeting?

[Robaina] There are many issues to be discussed, but I think that the preparations for the forthcoming Iberian-American Summit in Cartagena, as you all know, are on top of the list. There are also issues concerning the strengthening of our bilateral relations. [end recording]

Robaina referred to the Cuban Government's interest in cooperating in health, medicine, and technological matters. He also spotlighted the Cuban Government's respect for the Cuban people's right to emigrate freely.

Meets With Gaviria

FL1312024293 Havana Radio Reloj Network in Spanish 0202 GMT 13 Dec 93

[Text] Colombian President Cesar Gaviria met today with a large Cuban delegation headed by Foreign Minister Roberto Robaina, shortly after their arrival in Colombia for a three-day official visit. The president was accompanied by Colombian Foreign Minister Noemi Sanin, Government Minister Fabio Villegas, and Justice Minister Andres Gonzalez.

A Colombian source described the meeting as honest and expansive. The Cuban delegation is made up of approximately 20 high-level officials and specialists in various areas, including Osvaldo Martinez, director of the World Economy Research Group, and Miguel Barnett, Cuban writer, poet, and vice president of the National Union of Cuban Writers and Artists. Foreign Minister Robaina will meet again with President Gaviria on Tuesday after he has met with Foreign Minister Noemi Sanin, Foreign Trade Minister Manuel Santos, and Economic Development Minister Luis Alberto Moreno.

Ambassador Presents Credentials

FL1212222093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 12 Dec 93

[Text] It is reported from Bogota that the first Cuban ambassador to Colombia presented his credentials to President Cesar Gaviria on 12 December following the reestablishment of diplomatic ties. The ceremony of accreditation of Jesus Martinez took place less than 24 hours before the arrival in Bogota of Foreign Minister Roberto Robaina in an official visit.

It was also reported that new Colombian Ambassador to Cuba Ricardo Santa Maria will travel to Havana next week.

Castro Construction Workers Day Speech

FL1012130793 Havana Cuba Vision Network in Spanish 0202 GMT 9 Dec 93

[Speech by President Fidel Castro at ceremony marking Construction Workers Day at the Carlos J. Finlay Institute vaccine plant in Havana City Province on 4 December—recorded]

[Text] Guests, construction comrades: As was said here a few minutes ago, this province has once again earned the honor of occupying first place in the emulation program. The Ministry of Construction [Micons] has earned this honor for the past five consecutive years, and the province has earned it for two consecutive years. I believe this is praiseworthy when we take into consideration our difficulties.

Now regarding the issue of the plan, a mistake was made and it became evident, but in my opinion this was not so important. It is important in a sense because it serves as an example. The plan called for 20 million [not further specified] and you made 21 or 22 [not further specified] and the Union of Caribbean Construction Enterprises [UNECA] made even more. This proves what Brito [not further identified] was saying earlier. There are provinces doing more than the plan calls for, and others that are not doing enough. This cannot be a colossal plan, however, because it would not be logical during a special period. This is not a plan for one billion [not further specified]. That was done in the past, under normal circumstances, when we had all the cement, iron, and fuel we needed. It is important to mention, above all, the quality of the work done by our workers, the completion and functioning of certain projects during this special period, when we are facing shortages of material, including fuel. We must use our resources rationally, and the most rational way to use those resources is by working on priority projects, based on one reason or the other. Above all, priorities must be based on economic contributions.

Efforts in the construction field must have an economic value, precisely to help us overcome the special period; in other words, other projects we did in previous years, which are important and necessary for the revolution.

For the past 30 years, the revolution has been building schools, health installations, and social and economic installations. We advanced a great deal in the social area; unfortunately, after we created the conditions and had the industrial material and were capable of producing the necessary material to build 100,000 houses per year, the special period had to be instituted, and it was a hard blow to a very important area, which is housing. We are now working on the so-called low-income houses, which are good houses, and we are trying to expand housing construction throughout the country as an important activity.

This is not seen, however, as a priority. We mut give priority to projects like this one, which was inaugurated yesterday. It is a high-quality and beautiful construction work, in all aspects; it is really an example. It took a little longer than planned to complete the work, but the project was not easy. It was necessary to wait for the necessary special material, and there were other problems that delayed the project. Finally, we have completed this vaccine plant, which can produce up to 100 million doses of vaccine a year. We have the installations and we have the prestige. It is a matter of pride for the country, for experts in this field—the pharmaceutical industry, and biotechnology—because we can appreciate in this work the great progress our country has made in these specific areas.

Yesterday Conchita [Concepcion Campa, president of the Finlay Research Institute] said that 900 [figure as heard] children get sick each year because they cannot get the vaccines they need. Many of the needed vaccines must still be developed. What? How many did I say?

[Unidentified speaker] You said 900 children.

[Castro] Did I say 900? I am worse than you, [Jorge] Lezcano. [laughter] But everyone understood what I meant. It is not 900 but 900 million children who get sick. I also said that some of the needed vaccines must still be developed.

This plant, however, is not just for making the meningococcal meningitis vaccine. A great many different kinds of vaccines can be made in this plant. It is very versatile, in keeping with the nation's needs but especially in keeping with the needs of the international market. I must also say that, along with the construction of this plan, the Finlay Research Institute also did a big job of promoting, internationally, the products that can be made by the institute of which this plant is a part. That is why I was telling you that this plant is a priority work. The pharmaceutical industry's plants and biotechnologies are priority works.

Tourism tasks are priority works too, for economic reasons, quite simply because they are called upon to produce a big income in hard currency for the nation. And hard currency is what the nation needs. Urgently! It is the bottle neck for us. It is what is stopping us, holding us back because we need fuel; we need materials; we need food; we need lots of things. And in the process of recovery, tourism is undoubtedly going to play an important role, although it takes time. That is the reason it is important to finish each piece of work relating to tourism. These are priority works.

An example of priority work is the one Brito mentioned here earlier, the Santiago de Cuba aqueduct. Why is that a priority? Because during the dry season a terrible crisis results. The whole city is without water during the dry season. We had to bring water from the Carlos Manuel de Cespedes Dam, from the [word indistinct] river. [Words indistinct] necessary to bring water from other sources. I believe the other source is the Gota Blanca Dam in the Santiago de Cuba area. We had to run to the aid of Santiago de Cuba. Therefore, this is a priority work and that is that. No more talk. We cannot leave a city without water nor can we allow the dry season to leave the city without water. That eastern area recently experienced one of the worst dry seasons ever. A few weeks ago a colossal amount of water fell on the area, not precisely in the same area, but a little east of there. The Guantanamo area was drenched with approximately 700 millimeters of water. It is incredible. There are many places in Spain that do not get 700 millimeters of rain a year. It is approximately a year's average rainfall falling on an area in 40 or 48 hours, a natural phenomena that is probably related to changes in the weather. This kind of rainfall is not common this time of year.

Another example is the so-called storm of the century. You cannot compare the storm that hit Guantanamo, although it caused a lot of damage, to the other storm. The other storm caused much more economic damage. More deaths were reported as a result of the storm that hit the Guantanamo area, however, that was because of the areas that were flooded. Deaths were reported during the March storm, but not as many as in Guantanamo. From the economic viewpoint, the March storm was much more harmful to our economy. That storm devastated seven or eight provinces. It destroyed whole areas planted with plantain. That called for urgent recovery work. We had to turn to Micons for help to solve the problems of those affected by the rains. At that moment, aid to the victims became a priority work. It had to be done. Micons has been asked for help on many occasions. I can recall that I asked Micons to build two buildings in the Santa Fe area to replace a number of apartments we had asked the science sector workers to give up for the rain victims. That area was completely swept by the sea. So we had to build a couple of buildings immediately to replace the apartments that had been assigned to the science sector workers. That is another priority work and one of the most difficult priority works because they create some disruption. Workers have to be moved from one site to another, materials must be sent to the area; everything is disrupted when we have to attend to a priority.

Priority works are those that have a great economic importance or those that suddenly represent an urgent social necessity. When a hospital needs immediate repairs, these repairs must be done. This does not mean that we are going to build a brand new hospital. If we are rational, that is what we have to do with our work force and with the materials we have available: seek out the economic significance of the different works or the urgent social significance a particular work may have. That is the reason why matters related to completing these works are so important.

As a matter of fact, after we did all we had to do, and continued to do what we must do in Santiago de Cuba, the heavy rains fell and filled the dams. The (Gilbert) Dam was filled and even Charco Mono was filled. Those dams were filled twice while they were being built. The rains that fell during the past dry season—here rains fall during the dry season and there is drought during the spring—filled the Charco Mono Dam once again. Well, this does make things easier. However, those two dams will be operational once the next big drought occurs.

The rains damaged a dam that provided water to Santiago de Cuba. One of the dams we were building. I am talking about the dam in Baconao. The river destroyed part of the work being done; however, the most important thing there is the tunnel. The tunnel was not badly damaged because the dam was not operational. The work on the dam was stopped because with the emergency measures we have adopted we can solve the problem for the next few years without using Baconao Dam. The special period forced us to stop many works we were building, even economic works. However, these were not among our priorities and these were not urgent works. We were forced to stop work on the dams, the building of dams. Now we are working on a dam that will be used to produce hydroelectricity. This is associated with energy production and not for irrigation purposes. We have the dams, we have the canals, but we do not have the fuel to irrigate. Therefore, it would be senseless to continue building dams. That must wait. We must first have fuel available to use the dams and canals we have built before we build more dams and more canals. That is understandable.

The economic works, precisely, should help us get those resources so that one day we may have the works completed and continue the country's economic and social development. I truly believe that the work done by the construction workers is praiseworthy. I say this sincerely. The important thing is [words indistinct] demoralized construction sector. No sector should be demoralized; however, it is of utmost importance that our construction sector not be demoralized. Many thousands of construction workers have been transferred to the agricultural sector. Many contingents have been transferred to the agricultural sector. But that is not all, with the creation of the Basic Cooperative Production Units [UBPC], we will lose many construction workers who will remain working with the UBPC. They have already asked that they be transferred permanently to these units. This means that in the future, once we have more money to continue building, we will need those many thousands of construction workers. But there is no other way out. We will have to find more.

Above all, we must evaluate the construction worker's productivity. We must resolve the problem mainly with productivity. What happened in the construction sector has been a hard blow because it was one of the sectors in which we were working harder, increasing the levels of organization, efficiency, productivity, and savings.

We have had to stop projects as large as the Cienfuegos Nuclear Power Plant, which is very important from the energy point of view. This project would have been given priority status, but its continuation did not exclusively depend on us. We could not continue the work without the necessary material and equipment that had to be received from abroad. It was a very sad decision for the project directors, who had been working there for years. It was very sad for all, but the construction of the nuclear power plant was topped, and its completion was postponed. Most of the workers were transferred to other activities, many of them to the construction of tourist projects in Varadero; it was the sensible thing to do. These days, we have had to make very hard decisions that have been the most sensible thing we could do.

It was necessary to stop works of such magnitude that otherwise would have been given priority, precisely because they would produce electricity, one of the shortages we are experiencing. We have a shortage of cement due to the lack of fuel; a shortage of steel for similar reasons, lack of energy; and a lack of materials in general due to the lack of fuel. We have the factories, equipment, and everything else, but we do not have fuel. We also are facing a shortage of fuel for equipment in the thermoelectric plants, and the lack of electricity has affected other areas. It has affected construction works this year.

There were very, very, very difficult moments when many factories were closed and construction works were paralyzed. There were times when we had to help the sugar industry. It has been necessary to send qualified workers to repair the sugar mills. The construction sector has had a rough time, a very rough time. This is why I say that despite the difficult situation, the results have been good. It is necessary that morale remain high.

It is good news that the UNECA has completed more than 3,000 houses, not houses, rooms, which will be used for tourism. You did say rooms, did you not?

[Unidentified speaker] Yes.

[Castro] That means that space-wise it is more than 3,000 because it is at least two people to a room. [laughter] At least two. These are a lot of rooms. It is good to learn that Micons has built several hundred rooms for the tourist sector. That is good because that is one sector we must boost. At the Havana City Provincial Assembly we discussed tourism in depth. It was clearly established that tourism by itself can compensate for the losses Cuba experienced with the disappearance of the Soviet bloc and the USSR, that USSR that Lezcano recalled with so much nostalgia. When he was reading, instead of reading UNECA he read USSR. [laughter] At that very moment, he was thinking about all the things we are lacking, in every sense associated to the disappearance of the USSR. However, this field alone, alone without the help of others, can compensate for all our losses; therefore, it is only logical that we should encourage work in this field. We must look for the convertible currency, which we hear mentioned again and again, and which we in fact need so badly to defend the country's independence, the Revolution, the achievements of socialism. We need it so that some day we can resume the building of socialism. We must look for convertible currency so that we can resume our construction of dams, canals, houses, and many other things. [applause]

We need time however. We must not be demoralized. We have no right to be cowards. We have the holy duty to fight, like our forefathers fought in 1886—they fought for 10 years—and in 1895, and like all those generations before us fought. Because of the way the world has changed, however, this generation was faced with the most difficult task. Many people around the world have an even more difficult task because they have no hope. Our task is a difficult one, but we have hope. It is more difficult because we are enduring a cruel blockade and because the pillars on which our foreign trade was established have collapsed.

During the years those pillars held fast, our country made a lot of progress and attained what it has today, first in education among Third World countries and many developed countries. There are developed countries that have levels of illiteracy which we do not have. In other words, some developed countries have not solved their illiteracy problem. Our health levels are way above the other Third World countries, as are our employment levels. We achieved a lot in those years. Now we must confront the difficult times. Difficult times lie ahead for the world in general. We are currently experiencing our most difficult times however. We are working and struggling to overcome those difficult times. It is our duty. This is why this sector is so important and why it is necessary for its morale to remain high.

What we do to overcome this situation depends heavily on what this sector does. All of you are making a great effort. It can be seen. But we must do even more. I am not going to say it should be a physical effort because there have been times when projects have been stopped because of a lack of materials. We must make an effort to increase the quality of the coordination between the construction materials industry and the construction industry. Such coordination is vital to prevent a project from being stopped because of a lack of materials. The steel sector must export part of its production to self-finance its fuel expenses and its foreign currency expenses. We must coordinate this well so that our works will not be stopped. This is a quality task we must perform. We must save, this is indispensable.

I have said in the past that one of the sectors that is saving the most is the construction sector. There were times of 700 kg [not further specified] per cubic meter of concrete. We cannot forget that. Today we are talking figures that would have sounded incredible in the past. Today we talk of 350, 340, 320 [not further specified]. This represents considerable savings in material. It is very important to save cement, steel, lumber, and all other type of material. That is the way we must work today and tomorrow.

Productivity also is very important. Productivity is closely linked to organization. It has been proven that there are areas in which we lack experience and that we must use international experience. We knew practically nothing about tourism. Now is when we are learning what tourism is all about. We talked about this at length during the party assembly. I am not going to expand on this. The construction sector, however, must also learn from international experience, especially in the areas of organization and even in the area of remuneration. This is important. I believe that with what we have, once we are guaranteed the supplies and fuel we need, we can double, triple, even quadruple the construction worker's productivity in many of their works. This will be possible once we are guaranteed what we need.

The most hard hit sector during the special period has been the construction sector. I would say that the most hard hit areas have been the construction areas. The number of contingents had grown, they had multiplied. Taking care of the needs of the people had become a fundamental idea. We were increasing our savings, our productivity, and we also were increasing the number of construction workers throughout the country. The number of construction workers increased. Some provinces made praiseworthy efforts. We must mention Santiago de Cuba Province, the things that were done there by the construction workers. The province has great contingents. I wonder how many workers have stayed with the contingents and how many have transferred to the agriculture sector. I believe those workers even participated in the construction work in Coco Cay and Guillermo Cay. Three contingents worked in Coco Cay and in Guillermo Cay. There is one contingent in Santiago de Cuba. They are working on hotels. They are working for the tourist sector. A huge effort had been made in the construction sector and important progress was being made when we were hit, when the special period came down on us.

I am not thinking about the present; I am thinking about the future. Once we have the money for construction, we will follow the idea of priority works. If this sector can provide thousands of millions [currency not specified] for the country in the future, then we must make it a priority area.

We have made a lot of progress in the field of [13-second break in reception] arise but not from the volume we have had in these past two or three years. Now we must assimilate all that, commercialize that product. We must make an effort in that direction. The rate of construction is not that necessary, but we may establish one. We must be ready to cover any need [words indistinct]. This is in addition to what we must do. There are still a few things we must do. However, investment in this area is decreasing. The best proof of this is that the contingent that completed the ICIT [Cuban Institute for Technical Research], the site of last year's ceremony, was transferred to the Hemingway Marina, where they built the houses, cabins, and other installations. And you are behind in that. We must put that down in their files. When are they going to finish the hotel. What is the name of the hotel?

[Unidentified speaker] The Old Man and the Sea.

[Castro] The Old Man and the Sea. What would Hemingway say if he were to walk around that area? [laughter] You better light a candle to Hemingway so that he prays for you wherever he may be. What?

[Unidentified speaker] The problem is that we were also affected by the storm of the century.

[Castro] So, the storm of the century is to blame for the fact that you have not finished The Old Man and the Sea. All right. But I hope you will do your best to ensure that the prestige you won will not be lost.

Well, I think I have mentioned the important things, as briefly as possible, clearing up some ideas. Lezcano made some suggestions for 1994 which I believe are very good and which agree with these things I have mentioned. Therefore, comrades, I join others in congratulating you. I sincerely join the well-deserved congratulations you have earned with your work this year. You have earned this recognition with actions, not words, which is what counts. Keep up the good work, put forth your best with all the necessary confidence and high morale. You must know that each drop of sweat you shed is like, let us say, a shot against adversity and difficulties, or one more step in the path toward resolving the main problems we are facing. The same goes for the comrades who [words indistinct] Spanish unions who are here sharing with us this afternoon. Socialism or death; fatherland or death; we will win! [applause]

Castro Attends Inauguration of Air Traffic Equipment

FL1312023393 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 13 Dec 93

[Text] Commander in Chief Fidel Castro attended the inauguration of two air traffic safety installations at Jose Marti International Airport.

The VOR/ILS [VHF Omnidirectional Radio/Instrument Landing System] and VOR/DME [VHF Omnidirectional Radio/Distance Measuring Equipment] units were installed at the airport by French and Cuban technicians and engineers in only four weeks, thanks to the efforts of (Gerard Borguan), who explained to Fidel and others the operation of both pieces of equipment, which are the latest technology and manufactured by the French company, Thomson. The equipment ensures all-weather landing and takeoff, even in zero visibility.

Politburo member Carlos Lage; Transportation Minister Senen Casas Regueiro; Rogelio Acevedo, president of the Cuban Institute of Civil Aeronautics; and the ambassadors of Cuba and France were present during the inspection of the equipment. Division General Acevedo and (Borguan) characterized the installation of the equipment as an significant achievement that makes Havana's international airport one of the best equipped, in this sense.

Alarcon Explains Perspective of 'Democratic System'

FL1012154993 Havana Radio Rebelde Network in Spanish 1000 GMT 10 Dec 93

[Text] Ricardo Alarcon, head of the Cuban parliament, affirmed last night that human solidarity as the basis for social relations is what lies in the hearts of peoples. Alarcon, who is president of the National Assembly of the People's Government, spoke at the European gathering in solidarity with Cuba, where he said that the principles that the Cuban democratic system inspires and puts into practice are based on equality, justice, and having the people be represented in matters of government.

Also, it has been learned that Cuba and the European Union have expressed the desire to continue dialogue with a view to reaching a cooperation agreement in the future, upon the conclusion of the workshop on the role of Europe in Cuban development. (Rosario Navas), Cuban ambassador to the European Commission in Brussels, opined that there has been an evolution in the positions of the old continent, giving as an example the European Parliament's recent approval of the resolution censuring the United States for applying the blockade of Cuba extraterritorially.

Robaina Addresses UJC Bureau on Foreign Policy

FL1012150693 Havana Radio Rebelde Network in Spanish 1255 GMT 10 Dec 93

[Text] The National Bureau of the Union of Young Communists [UJC] invited Foreign Minister Roberto Robaina to speak at its December meeting. Robaina spoke on Cuba's foreign policy priorities for 1994 and the most recent events in international relations. Robaina also spoke about his one-week Caribbean tour, prospects for the Ibero-American Summit in Cartagena de Indias, and NAFTA's repercussions in relations between Mexico and Cuba.

Earlier, the UJC National Bureau had discussed the status of the campaign "With Cuba for All Times," and were briefed on the most important activities planned for 8 January, the culmination date of the festivities for the 35th anniversary of the Revolution. The activities include closing El Malecon to vehicular traffic from 26 December to 2 January in order to celebrate a mass New Year's eve party, a festival of the Abril publishing house in eight Havana neighborhoods, as well as the show "[word indistinct] With Cuba" at the Karl Marx Theater as a gift to university students on the 71th anniversary of the Federation of University Students.

The work campaign being prepared in support of the main tasks of each province will be conducted nationwide. On 31 December, 35 outstanding youths will climb Turquino's peak.

Jordan, Ross Discuss UBPC's at Union Meeting

FL1012163393 Havana Radio Rebelde Network in Spanish 1000 GMT 10 Dec 93

[Text] In Havana, Agriculture Minister Alfredo Jordan has affirmed that the process of forming Basic Cooperative Production Units [UBPC] is going well. He said 580 of the over 2,000 UBPC's planned in the sector of noncane agriculture have already been formed. Jordan, who is also a member of the Politburo, explained that the general tendency, as regards the formation of those work groups, is to meet the work force needs exactly and use resources optimally.

The above was revealed during the meeting of the national secretariat of the National Agriculture, Livestock, and Forestry Workers Union—an occasion on which Pedro Ross, Cuban Workers Federation secretary general, enumerated the 19 tasks for which the union organization is responsible within the UBPC's. Among these, Ross cited meeting the production plan, complying with the regulations, the need to be profitable, using human resources and materials sensibly, and the self-sufficiency of the workers and their families.

Agriculture Subsidies To Be Reduced in 1994

FL1112144993 Havana Radio Rebelde Network in Spanish 1255 GMT 11 Dec 93

[Report by Diosdado Maso]

[Text] The year-end general secretariat meeting of the National Farming and Forestry Workers Union has been held to evaluate performance and to draft plans for the forthcoming year. I want to tell you about their discussion regarding Basic Cooperative Production Units [UBPC] because there were many interesting points.

First of all, all upper managers in each province are closely observing these units and already there are very interesting examples. There are many positive things in many UBPC, while others still have to find their stride. We have to keep in mind that the UBPC are only 60 days old, some are one-and-a-half months old.

At the meeting, there was mention of a UBPC in Caujeri Valley, Guantanamo Province. Agriculture Minister Alfredo Jordan stated that he visited that UBPC, which had received a 12,000-peso loan from the bank in November. At the end of November....[pauses] It was going to get a 12,000-peso loan but only got 9,000 instead. They stated that 9,000 was enough to do the work. The result of their effort, however, was 12,000 pesos. In other words, there was a profit of over 3,000 pesos. It cost them 42 cents to produce one peso. Jordan pointed out that it is amazing how every worker, not the financial officer or manager alone, has a clear idea of what needs to be done and how much everything ought to cost. If this truly catches on in every UBPC, which is what is expected, the goal of producing more food for the first months of 1994 should be met. Of course, one has to go and observe each of these units. In this regard, Jordan stressed that the process requires intense auditing.

[Begin Jordan recording] This is a process that requires much auditing, control, and checks. We are insisting heavily on this. I believe that if there is any help we can ask from the Farming Union, it is to get deep down into the process. We should not be happy with simply visiting a UBPC and talking with the comrades and only be told positive things; we have to get into the details of the process, particularly profitability aspects. This is vital. In agriculture, as has been said here by many comrades and Pedro [CTC Secretary General Pedro Ross], we need thousands of people in agriculture. No one is extra in agriculture. Today Cuban agriculture has approximately 684,000 workers, but when we see the number of workers directly involved in productive work, we always reach the conclusion that we need more. [end recording]

Jordan was stressing profitability.

To conclude, I have a piece of news: The Agriculture Ministry, beginning in 1994, will begin a process of reducing state subsidies to agriculture; a project that includes even the provincial delegate of the ministry. In other words, even the provincial delegate—certain experiments are being done in this regard—will earn a salary based on the production of the province. If workers are going to be attached to a production area, so is the entire state apparatus because we have no other alternative but to reduce state subsidies to agriculture.

Finance Minister Expects Economic Growth in 1994

PA1112041393 Mexico City NOTIMEX in Spanish 0934 GMT 8 Dec 93

[Report by Correspondent Juan Balboa]

[Text] Havana, 8 Dec (NOTIMEX)—Jose Luis Rodriguez Garcia, minister president of the State Committee for Finance, has said that Cuba expects significant levels of growth in five economic sectors during 1994. He added that Cuba will continue its state restructuring policy and the creation of new tax systems.

While participating in the conference entitled: "Cuba in the 90's—Its Reincorporation Into the International Economy and the Role of Europe," Rodriguez reported that a tax system will be created to normalize the island's frail economy. He added that Cuba expects such important sectors as agriculture and livestock, sugar, energy sources, and nickel to show an important growth level in order to attain a more organized and efficient economy.

There are 280 delegates from 80 Cuban solidarity organizations present for the conference, which ends on 11 December and is sponsored by the Center for European Studies in Havana (CEE) and the Institute for European-Latin American Relations (Irela) in Madrid.

Rodriguez said in his speech to the conference sponsored by the European Commission that the amount of money in circulation on the island increases every year. During 1992 there were $10 billion moving about on the island (based on the official exchange rate of $1.00 to the peso). According to Rodriguez, the amount of money in circulation is quite high and "needs to be cut in order to balance the budget and create job incentives."

Fidel Castro's government began a conservative economic reform plan this year, which features certain characteristics of a market economy. The plan's goal is to eliminate subordination to foreign commercial and financial dependence.

The new plan, which was designed by the Council of Ministers headed by Carlos Lage, bases its development on the growth of internal production activities to attain greater supply levels. It also seeks to clean up the country's finances. The economic plan is directed at reaching improved production levels for its export products and promote other sectors, which have been unprofitable up to now, in order to increase the island's income in dollars. This will in turn stabilize Cuba's food, raw material, and supply imports.

The Cuban National Assembly of the People's Government [ANPP] must approve an extensive adjustment package for the nation's economic system and will broaden the first measures the Castro administration implemented to solve the internal monetary imbalance and increase the existing foreign investment. In 1994, Cuba will enact more extensive economic measures aimed at controlling the economy's decreasing growth rate and set the ground for internal financial reform. Under the Cuban plan, the island's economic authorities have focused their attention on providing free services such as health and education, without creating greater problems in the overall distribution of wealth.

The new adjustments, to be approved at the next ANPP session, are aimed at protecting national production from the possible negative effects of lifting foreign currency restrictions and opening the market to foreign capital, which could create a certain distortion affecting the less fortunate social levels.

Under the current world situation, following the fall of the Socialist countries of Eastern Europe and the crumbling of the USSR, Cuba has fallen into an economic crisis that jeopardizes its most important achievements attained after the triumph of the revolution in 1959. According to Rodriguez, there are four main circumstances that will allow Cuba to overcome this serious economic crisis: the people's support for Castro; the existence of an enormous accumulation of human capital; the industrial capability Cuba has created; and a high level of solutions for the people's social needs.

Finance Workshop Debates Changes

FL0912151993 Havana Radio Progreso Network in Spanish 1200 GMT 9 Dec 93

[Text] The program for streamlining Cuba's internal finances will be analyzed by deputies to the National Assembly [of the People's Government], which will begin on 27 December in this capital. A national workshop on management autonomy began yesterday within the State Committee for Finance. At the workshop, the committee's president and vice president announced that a different method of administering resources, one which will allow us to assess the signs of recovery in organization and economic efficiency, will be put into effect in 1994.

A new tax system based on the idea that enterprises should invest the greater part of their profits in their own development will also go into effect. Automatic subsidies for losses will be abolished. At the present time, government subsidies to agriculture and to the Ministry of the Sugar Industry amount to over 1 billion pesos.

Also, in 1994 taxes will be applied in such a way as to constitute a more active mechanism in the nation's economic life. This tax system will be complemented by taxes levied on the population in connection with certain services, such as automobile transactions or document issuance, but does not inply a policy of taxes on personal savings.

Role of Foreign Capital in Citrus Industry Discussed

FL1012203693

[Editorial Report] Havana Radio Rebelde Network in Spanish at 0000 GMT on 9 December carries a five-minute exchange between the announcer and journalist Diosdado Maso on foreign capital associations in citrus-fruit agriculture.

Maso reminds listeners that in a recent GRANMA interview, Carlos Lage explained that the National Citrus Union was being dismantled. This institution, which used to have 156 positions, is now operating with only 25 comrades. It was also explained that this new agriculture-animal husbandry unit is going to be responsible for plantations, industrial complexes, cold-storage facilities, imports, and exports: that is, those people are going to be responsible for all Cuba's citrus-growing activities.

Maso recalls that Cuba grows citrus fruits on the Isle of Youth, in Matanzas, in Jaguey Grande—"over 4,500 caballerias"—and in smaller quantities in other places, with the three biggest citrus-producing areas being the Isle of Youth, Jaguey Grande, and Ceiba, in Havana City Province, which has approximately 450 caballerias devoted to citrus fruit.

Maso notes that the result of taking this step is that Cuba is will be flooded with foreign capital, which it will use to effect the recovery of Cuba's citrus plantations. In some instances, Cuba will form "partnerships" [asociaciones] with foreign capital, allowing it to purchase the fertilizers, fuel, pesticides, and other supplies the industry requires. The rest of the citrus-growing lands remain on state farms, which are self-financing. Finally, Cuba is going to use the Youth Labor Army in certain areas.

Maso explains that he spoke to Matanzas Agriculture Ministry delegate (Angel Verriel), who explained to him the matter of these self-financed state farms.

In a recorded exchange, (Verriel) explains that these farms are going to operate on the basis of the principles used by the Basic Cooperative Production Units, such as the idea of linking the worker to the area so as to ensure that the masses have a vested interest in being productive. He explains, further, that the farms are to cover their costs with their profits, and that workers' living standards will also be a priority.

In the matter of doing business with foreigners interested in Cuban citrus, (Verriel) explains that such a venture "is not a mixed enterprise, Maso. It is an association, an association under which we are given credit for the acquisition of the basic inputs; and then, (?in individual cases), what we do is turn over the fruit to be marketed. It is an association, not a mixed enterprise." (Verriel) notes that improvement is already beginning to be seen, and that, certainly, deterioration of the citrus crops has at least been stopped.

Maso concludes by reiterating that the "associations" in question are aimed at protecting Cuba's citrus crops, and that had such associations not been formed, Cuba would really have lost the citrus crop entirely.

Matanzas Petroleum Production Up 22 Percent Over 1992

PA1012144393 Havana Radio Havana Cuba in Spanish 0100 GMT 8 Dec 93

[From the "Evening Information Review" newscast]

[Text] As of November, the Drilling and Production [words indistinct] enterprise in the Cuban province of Matanzas has produced more than 744,000 tons of petroleum. This figure is close to the Matanzas enterprise's goal of reaching the 1 million ton mark of petroleum production in one year. According to all forecasts, the production of so-called black gold in Matanzas this year will exceed 1992's production levels by about 22 percent. Among the factors making this increase possible is the signing of contracts with foreign companies that apply specialized techniques. As part of the so-called special period, Cuban authorities are basing their strategy for the petroleum sector on its internationalization in partnership with foreign consortia and the reaching of [word indistinct] contracts. Currently, working agreements have been signed with the French company (Dotal) and the Canadian companies Northwest Energy and CMW.

Chamber of Commerce Official on Foreign Trade Activity

FL1012184093 Havana Radio Progreso Network in Spanish 1200 GMT 10 Dec 93

[Text] Carlos Martinez Salsamendi, president of the Chamber of Commerce, has reported that back on 30 November there were a total 496 foreign firms registered in Cuba. Another 85 firms are currently in the process of registering. Martinez explained that Cuba's trade with countries that have market economies went from 15 percent in 1990 to 100 percent today.

In Havana, Martinez also reported that Cuba's trade with Latin America increased in this same period from 7 to 47 percent of the total.

'Straight Talk' Program on Unemployment Problem

FL1012232093 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Dec 93

["Straight Talk" program discussion with host Carlos Santana and TRABAJADORES journalists Eloy Concepcion and Renato Recio—live]

[Text] [Santana] To get started, the first question: What are the economic reasons obliging us to realign our labor force now?

[Recio] As everyone knows, we have, here in Cuba, over the past few years, suffered from the phenomenon known as inflated personnel rosters—that is, putting more people to work than were really needed at a given location for a given task. These inflated personnel rosters, in fact, were hiding something economists sometimes call underemployment: that is, having a person occupying a position, taking up a job, that he does not really do. The person is actually underworked, while drawing a salary as if he were actually doing the job. That is a phenomenon that leads us to think that...[pauses] the person cannot be (?paid). One cannot be efficient with problems such as these at play, and with inclinations such as those in operation. Everyone agrees that we must break away from that schema, put an end to that practice; and that efficiency is something that is attained first of all on the basis of an increase in the productivity of labor.

[Santana] What happens is the following, Renato. I have received a number of calls from listeners, as well as a number of letters, and indeed, the fundamental concern is the following. The other day, when we were talking about equality, we mentioned that the first aspect of equality brought by the Revolution was the guarantee of a job to all the nation's citizens—I mean, the guarantee that every citizen would, upon reaching working age, be assured of employment.

Now, what is happening? Or rather, what actually happened? Often such employment actually constituted underemployment because, as you rightly said, two comrades would be doing a job that a single comrade could have done just as well alone. Now, in these programs that we have been having, programs in which we have been talking straight about the problem of realigning our economy within Cuba, our listeners' concern has been the following: Older people, young people just entering the labor market, and those employed by the government's central bodies in the enterprises and in that entire bureaucratic—or rather, excessively bureaucratic—apparatus, to put it more clearly, are all concerned about their future.

I am one of those who think this is a delicate subject. This is a subject we must deal with—and it is my opinion that the revolutionary government is, indeed, dealing with it—the greatest care and the greatest delicacy because it constitutes one of the Cuban people's achievements, one of the accomplishments of the Revolution.

Now, how to go about realigning this economy? How can we make this economy efficient? How can we avoid applying shock therapy? How can we avoid throwing people out into the streets? How can we, when the ministries are restructured...[pauses] there is a possibility...[pauses] how to ensure that possibilities exist to...[pauses] the country has it...[pauses] when tourism, which can generate jobs, has not yet, is not yet sufficiently developed, is just beginning to develop? [sentence as heard]

Some might not like our saying this, but we are talking straight here, so we have to say it. It should also be said that our country is a tropical island whose principal productions are in the sphere of agriculture and animal husbandry and that has tens of thousands of caballerias of land that is not under cultivation.

Now the Basic Cooperative Production Units [UBPC] are being created. I am one who thinks there is, in fact, work for the population to do. I think the problem is not that people will be left without anything to do.

There is also, at present, Decree No. 142 regarding the self-employed. Those possibilities exist. What happens to us, or rather what is going to happen to us, or rather what must be happening to us, is that we are having to abandon a paternalistic policy that has often made of the job a lifelong guarantee due individuals, some of whom have come to consider employment an absolute guarantee.

[Santana] Journalists Eloy Concepcion and Renato Recio are here with us today on this 'Straight Talk' program. We are talking about the problem of employment in Cuba. Renato, Eloy was saying some interesting things. He brought up a couple of questions. What is your opinion?

[Recio] Eloy has brought up some serious and real problems. If my memory does not fail me, this is the first time we have broached this topic in public. For many years we lived under the impression that there was no problem with unemployment. However, today we must understand that employment is not the exclusive result of the people's decisions. One does not create jobs; the economy creates jobs. For a person to have a job, the economy must create it.

Regarding the questions Eloy asked, I would approach them from the following concept. The Cuban society is based on equality and justice; in a word, it is a socialist society. Therefore, it will never implement a shock policy. It will not leave working people without jobs or subsistence. Ways to avoid this will be sought. Some type of social security system will be sought. This system would help those people who are left without jobs in the country. However, we must not fool ourselves into believing that a social security system will solve the problem. It will not; it will only alleviate it. The solution to the problem is to create jobs.

You and Eloy have said, and I agree, that there are no jobs in Cuba. I cannot help but wonder whether we do not know how to look for a job. We have never had to look for a job. The UBPC can be a source of employment in areas other than agriculture. Perhaps in the near future, these units will be responsible for producing certain agroindustrial products. There is no reason that an UBPC cannot can pickles and produce other things that would open new jobs for the residents of the area where these units operate.

The territories should also be studied; the territorial administrations should be studied. I am sure that there are jobs available in those areas and towns where the sugar mills are. Sugar is a necessary product and the people who work at the sugar mills provide a necessary service. They can open up jobs. They can give people a chance to show off what they know, to prove what they can do. It would also be a place where they could earn a living. It must be known that this problem will be solved gradually.

[Concepcion] Excuse me, Renato, you mentioned social security. Perhaps we should talk about this for a while. And we should also talk about salaries received without working. Because of the situation we are facing—we have no electricity, money, or raw materials—many people are being sent home and we are paying some of them 60 percent of their salary. Some are getting full wages. We also know that some of the people who are receiving 60 percent of their salaries are looking for other, not-so-legal jobs, to compensate. This worries me.

This is not a pleasant situation. I do not want to be the unpleasant speaker on this program. I am not saying that the person who is receiving 60 percent of his salary and selling on the black market is working against me. No. However, we must speak openly and clearly about this problem. When something like this goes on, the Revolution is at stake.

[Recio] Talking straight, I believe that the policy to subsidize the excess work force, the excess work force in the future and today's excess work force, must be implemented selectively. Above all, we must protect those who are truly disabled, who cannot go out and find another job. The worker must have also proven himself in the past; he must prove that he is eligible for protection under the social security system. Everyone knows that cutbacks are being made; however, the first ones to go are the worthless workers. This means that these are the workers that social security will subsidize. These are usually workers who do not show up to work 100 times a year, who do not know how to work. Poor workers.

[Concepcion] The no-good worker they want to get rid of, so they give him 60 percent of his salary and send him home.

[Recio] That is the problem. However, we do not know how to look for a job. We go to the job site and just wait for them to offer us the job that will best suit everyone.

[Santana] Eloy Concepcion and Renato Recio are discussing the problem of employment. What must prevail when there is a cutback?

[Concepcion] Up to now, what we have done is send home those who do not deserve it. They are the ones getting 60 percent of their salary without working. I believe that the cutbacks must be done after much thought, and carefully. It cannot be an unfair system. Equality must prevail. The worker must have earned the right to receive the benefit. That is the way I believe it should be done.

[Recio] There is something else I would like to clarify. I believe that in the future a specific concept will have to prevail. There are some sectors like tourism, the sugar industry, sugarcane and nonsugarcane agriculture, oil, and other activities that are aimed at boosting the Cuban economy, where cutbacks have to be done in a rational manner. We must not allow these cutback to harm our production. We must make allowances in those sectors that activate the economy in general and create more jobs.

[Santana] Do you have any idea where new jobs can be created in the short term?

[Concepcion] The biggest source is tourism. There is no doubt that tourism can create countless jobs. Jobs are being created and more will be created. As tourism becomes more efficient it will begin to create more jobs. We must begin to produce those products that are currently bought abroad. The tourist sector cannot continue to buy lettuce in Cancun or some foreign country when this is something we can grow in Cuba. The same is true for other services. Tourism can create countless jobs on the island. This will, in some way, alleviate the situation the country must confront because of the reorganization of the state and the bloated personnel rosters.

[Santana] What should the unions do in light of this problem?

[Recio] Justice must prevail. The concept of the best man for the job must prevail. The fact that you can do the job better than the other should give you the right to get that job. Efficiency must also prevail. Efficiency guarantees employment. We must strive for efficiency. Only by being efficient can we create more jobs. This applies to tourism as well as other sectors. Efficiency must prevail, and based on this efficiency new and more jobs will be created.

Grenada

New Political Parties Emerge

FL1112155293 Bridgetown CANA in English 1529 GMT 11 Dec 93

[Text] St. George's, Grenada, 11 Dec, CANA—Two new political parties are emerging in anticipation of early general elections in Grenada. One party, calling itself the Initiative for Better Representation (IBR), is expected to be the first here to have a woman at its helm.

A number of prominent Grenadians, including former president of the Grenada Chamber of Industry and Commerce (GCIC), Hugh Dolland, chairman of the Grenada Manufacturing Council, Terrence Moore and other business leaders, are named in the IBR.

The group is offering a "new and non traditional approach" to politics in Grenada which it hopes will lay the foundation for the island's economic take off.

"The IBR sees the pressing need to introduce a system of recall of elected representatives when they do not perform and the establishment of community and village councils to whom representatives must report each year," an IBR statement issued in St. George's Friday said. The IBR will seek to convince Grenadians that there is a possibility of better government for the island, while stressing a return to higher standards.

In the case of the other party, posters have begun appearing on the streets of St. George's calling on Grenadians to support compatriots in New York who have formed the United Republican Party (URP).

Very little is known about the URP, led by Clemson Langdon, who was arrested and jailed by the Peoples

Revolutionary Government (PRG) for alleged counterrevolutionary activity in 1982. But media reports indicate the party was launched in New York several months ago.

Government has until March 1995 to call general elections but authoritative sources close to the party say it may not be that long before Grenadians go to the polls.

"We will not call a convention very far from a general election because the idea is that we must be able to maintain the momentum from the convention into an election," a senior National Democratic Congress (NDC) official told CANA. The party has scheduled a convention for March 1994.

Brathwaite's NDC, which recently held its general council, is seeking to redeem itself from the effects of early harsh economic measures it took to resuscitate the economy. But the party is also faltering from internal wrangling over a successor to the prime minister, who has signalled his intention to step down from party politics prior to the next general election.

"We have been calling for the elimination of the two deputy leadership posts because we believe this is causing some polarity in the party with people choosing to keep their allegiances to one side or another instead of to the party," the spokesman said.

According to the official the issue, which was raised at the general council and is expected to be debated in the party's March convention, could determine whether Prime Minister Brathwaite changes his mind and leads the party into general elections. Up to this time Brathwaite has kept his options open, saying he does not want to make a final statement because it might hinder investor confidence. He said this confidence is slowly returning.

With the addition of the URP and IBR, the next general election in Grenada could see seven political parties, including the Grenada United Labour Party (GULP) of former Prime Minister Eric Gairy, the new National Party (NNP) of former Communications and Works Minister Dr Keith Mitchell and the Maurice Bishop Patriotic Movement (MBPM) of Cuban-trained medical doctor, Terrence Marryshow, vying for the votes of just over 90,000 people.

"The one thing wrong is that every one who thinks of returning to Grenada after all his or her life abroad thinks the only way they can help is through politics," the NDC spokesman said.

Haiti

Antiembargo Demonstration Held in Port-au-Prince

FL1112190293 Port-au-Prince Signal FM Radio in French 1730 GMT 11 Dec 93

[Text] By 1630 GMT today, the center of the Haitian capital was the object of a demonstration. Several hundred people waved various flags. Posters on which were displayed hostile slogans against President Jean-Bertrand Aristide were carried through the Port-au-Prince streets. The demonstrators banged drums and shouted: Down with the trade blockade! Down with the embargo imposed on Haiti by the international community in order to destroy the Haitian people. The demonstrators, both men and women, are wearing T-shirts reading: Down with the embargo!

Mr. Carl Denis, member of the National Coalition, one of the most hostile opponents to the return to power of President Jean-Bertrand Aristide, thinks that it is the urgent, sacred duty of all Haitians to express their discontent against the embargo.

[Begin Denis recording in Creole] [Word indistinct] each Haitian should protest an embargo and a blockade that are destroying us as well as our children and are putting our future in danger.

[Unidentified reporter] In case your demands are not satisfied by the international community, what do you plan to do?

[Denis] First of all, then this will not be the only demonstration. There will be othets in order to show the international community that contrary to [word indistinct] the Haitian people do not approve the embargo. It cannot base itself on a tacit consent of the Haitian people. [end recording]

It should be noted that this demonstration was planned on Monday, 6 December, following a meeting in camera between about 20 sociopolitical parties in the country at the Hotel Visa-Lodge, on the airport road.

We did, however, notice the presence of several political leaders: Senator Dejean Belizaire from MNP-28 [National Patriotic Movement of 28 November], Senator Thomas Eddy Dupiton, Mr. Max Pean, former president of the Supreme Audit Court.

This has been Jean Luckenson from the downtown area, for Signal FM.

More on Antiembargo Demonstrations

FL1112194093 Port-au-Prince Radio Metropole in French 1800 GMT 11 Dec 93

[Relay from the streets of Port-au-Prince by Mobile Unit 20 reporter Rothschild Francois, Jr.]

[Text] What I can say is that the demonstration has become larger. There are several thousand people who have demonstrated for approximately an hour against the embargo, a demonstration against President Aristide and Prime Minister Robert Malval. Several slogans flay the international community for having imposed this embargo, labeled as criminal by the demonstrators. It should also be pointed out that several pictures of Jean-Claude Duvalier, Baby Doc, are being given out among the demonstrators. There is a car carrying a huge picture of Jean-Claude Duvalier and is distributing small pictures of Jean-Claude Duvalier, and the crowd is rushing to get them. There are black and red and blue and red flags. Some demonstrators are chanting slogans in favor of Francois Duvalier, such as: Duvalier, go get them; and: Malval, if you do not resign, FRAPH [Revolutionary Front For Haitian Advancement and Progress] will get you. In any case, the organizers of the demonstration are present: Hubert De Ronceray, Dejean Belizaire; several legislators supporting this demonstration also are present in order to say no to the embargo imposed by the international community due to the political situation in Haiti. This has been Mobile 20 from Champ-de-Mars for Radio Metropole.

Malval: Only Church Can Lead Nation Toward Reconciliation

FL1012220093 Port-au-Prince Radio Metropole in French 2000 GMT 10 Dec 93

[Text] Haitian Prime Minister confirmed today in Rome that he will resign from his functions on 15 December. He also indicated that the presidents of both Haitian Chambers had been informed. During a press conference, the prime minister pointed out the desperate condition of his country, while asserting that the conference of national safeguard that is due to be held soon in Haiti will have the objective of reestablishing the Governors Island accord in order to prepare the return of President Aristide to Port-au-Prince. He added that the church was probably the only force that could prevent the country's collapse and that the Haitian national reconciliation should take place through the church, which is currently very divided.

Vatican, Bazin Favor National Conference

FL1012210093 Port-au-Prince Radio Metropole in French 1145 GMT 10 Dec 93

[Text] The conference of national reconciliation called by Prime Minister Malval is winning national and international opinion. Following the United Nations and the United States president, it is the turn of the Vatican to lend its total support to this initiative. Vatican authorities announced the news on [illegible] December, following the talks that Prime Minister Malval held with Vatican officials. The head of the Haitian Government, hoping for the Pope's blessing for his project, was received in the Holy See by Cardinal Angelo Sodano, secretary of state, and by Jean-Louis Tauran, secretary for relations with states.

President Clinton welcomed the Vatican's reaction regarding the holding of this national conference.

In Port-au-Prince, the political sector by and large welcomes the national conference convened by the resigning head of government. Marc Bazin, first in command for the Movement for the Establishment of Democracy in Haiti, MIDH, welcomed this decision by the head of government. The former Haitian prime minister recalls that he has always supported this idea which represents, according to him, the sole formula that can help Haitians to search together for a peaceful solution to the crisis. The MIDH leader hopes for the participation of all sectors in this forum. Bazin states that his party already positively subscribes to Malval's initiative.

[Begin Bazin recording] MIDH is ready to participate in such a conference and also to give its disinterested contribution in order to assure success. However, precious time has been lost. It is necessary to acknowledge that. And every day that goes by without a settlement moves us closer to the critical point where the forces in presence will see more advantages than inconveniences in maintaining the struggle. Thus, the time has come for men and women of good faith, enemies of violence and supporters of radical reforms, to help to draft an authentic and fair compromise. From such a compromise will result a truce which would be most useful in attacking the deep causes of the sociopolitical antagonism in order to reduce misunderstandings, to develop solidarity, and to reinforce social consensus. MIDH therefore invites all democrats, without exclusion and regardless of the camp they belong to, to dialogue as the method for solution to conflicts, to bring their sincere and convinced support to the preparation and the success of the national conference. [end recording]

Aristide, Malval Exchange Differing Views on Crisis

FL1012215493 Port-au-Prince Radio Metropole in French 1145 GMT 10 Dec 93

[Excerpts] Let us point out that different viewpoints arose between President Aristide and his prime minister regarding the path to follow to solve the political crisis. Leaked correspondence between the two indicated differing approaches by the two Executive Branches. The president-in-exile allegedly opts for the strict application of the Governors Island accord while his resigning prime minister launched himself deeply into the realization of a national conference. Our colleague, Guy Delva, spoke with people close to the president-in-exile who seem to dissociate themselves from Robert Malval's initiative. Guy Delva reports:

[Begin recording] The question of holding the national conference or the gathering for national safeguard proposed by Haitian Prime Minister Robert Malval is the object of much controversy among officials, members of the government, and supporters of President Jean-Bertrand Aristide. A source close to the president in Washington tells us that the Presidency does not support Malval's initiative. In a message addressed to the international community on 5 December, President Aristide considered that national safeguard could be achieved only through a return to constitutional order, implying the return to the president of the Republic as well as the return of those elected on 16 December 1990 and 20 January 1991.

The Presidency believes, and I quote: National safeguard could only be effective with an atmosphere of appeasement including the end of repression and political violence, the reestablishment of civil liberties, the lifting of sanctions, and the resumption of international aid. I was quoting President Aristide in his address to the international community. [passage omitted including previously filed material].

A copy of the message to the international community was received by Prime Minister Robert Malval. In his reaction, the prime minister reproached the president in writing for having cast aside the principle of national gathering, an idea which seemed to have received the previous approval of the Haitian leader-in-exile, in order to discuss the country's problems.

Addressing himself to President Aristide, Prime Minister Malval states, and I quote: I remind you that a national conference is essential to discuss deeply the nation's problems. They are many and go beyond the sole democratic legitimacy which, if it is fundamental, does not exclude the questions related to the moral, economic, and social situation of the country, unquote.

On 6 December, President Aristide asked Prime Minister Malval to reconsider his reaction. Let us read: I take note of your reaction to my message to the international community and I patriotically invite you to reconsider it. The Governors Island accord has established some principles for a solution to the crisis and their respect could spare our nation great suffering. Nonobservance has led us to a possiblity of death rather than life. I was quoting President Aristide, who was addressing Mr. Malval.

In any case, Washington supports the initiative of the Haitian prime minister. However, the Americans want to be realistic, to quote the American Embassy spokesman in Port-au-Prince, Stanley Schrager, who was referring to the recent meeting, proposed by international mediator Dante Caputo, in which the military refused to participate. [end recording]

PDCH Supports National Conference Including All Sectors

FL1012220593 Port-au-Prince Radio Metropole in French 2000 GMT 10 Dec 93

[Text] The Haitian Christian Democratic Party, PDCH, welcomes the initiative of Prime Minister Malval on holding a national conference in order to solve the Haitian crisis. However, PDCH warns that such an initiative will bear fruit only if it includes all sectors of the national life.

Correction to Political Parties Call for Demonstrations

FL1012122093

The following correction pertains to the item headlined "Political Parties Call for Demonstrations," published in the 10 December Latin America DAILY REPORT, page 9: Column two, make sourceline read: ...Port-au-Prince Radio Metropole in French 2000 GMT 6 Dec 93.... (correcting month)

St. Kitts and Nevis

Seven Arrested Due to Continued Unrest

FL1112200193 Bridgetown CANA in English 1930 GMT 11 Dec 93

[Report by Van Southwell]

[Excerpts] Basseterre, St. Kitts, 11 Dec, CANA—At least seven persons were arrested Friday and Saturday in connection with unrest and a state of emergency in St. Kitts, the police reported.

Charges against the group range from violating a curfew that was lifted this week to attacking the police, smashing the show window of an auto parts shop in the capital, Basseterre, and being armed with an offensive weapon.

Some of those arrested are to appear in court Monday, the police said. [passage omitted]

Party leader Dr. Denzil Douglas on Saturday appealed to "all lovers of freedom and democracy" to use their good offices "to ensure the maintenance of the people's faith and trust in the democratic process by adding their support to the call for a fresh and urgent poll."

He said last week's unrest had done "untold damage to the national economy, especially the tourist industry", and charged that "the economy will continue to suffer as long as the unconstitutionally-appointed regime of Dr. Simmonds continues to hold on to power illegally."

He called for the lifting of the state of emergency "so that basic civil liberties and freedoms can be returned to our people," saying people here had been "acting with mature restraint."

He also said he welcomed the withdrawal earlier this week of a small contingent from the Regional Security System, sent here to help maintain law and order.

Unrest Causes Business Losses

FL1012184693 Bridgetown CANA in English 1638 GMT 10 Dec 93

[Excerpts] Basseterre, St. Kitts, 10 Dec, CANA—The economy of St Kitts and Nevis lost more than EC500,000 dollars (one EC dollar - 37 cents US) worth of shipping business over the past week, according to a spokesman for Delisle Walwyn and Company Ltd, local agents for several cruise liners.

The company official said Cunard Crown, Renaissance and Royal Caribbean cruise lines, which make regular calls here, cancelled visits following a demonstration and subsequent declaration of a state of emergency December 2. [passage omitted]

Delisle Walwyn said it regreted, "this tremendous loss of business and damage to our country's image". The company spokesman noted that cruise cancellations had directly hurt over 200 business people of all types, including taxi operators, craft vendors, retailers, tour operators and other members of the non-hotel sector of tourism economy. "It is the country of St. Kitts and Nevis which has been the loser and we will continue to hurt unless we put a complete stop to the violence now," the spokesperson added. [passage omitted]

Salinas Unveils National Counternarcotics Strategy

PA1112141193 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 10 Dec 93

[Report by Jaime Guerrero from Los Pinos presidential residence for the "Good Morning From Mexico" newscast—passages within quotation marks are recorded]

[Text] Important blows have been dealt to the organized drug trafficking mafia over the last few months. Dangerous drug capos have been arrested and tons of narcotics have been seized. Society's participation is vital in this crusade against drugs. Citizens should participate not only by making anonymous reports against criminals but also by committing themselves to stopping the consumption and sale of drugs.

A national plan to prevent crimes against health was announced on 9 December. Before proceeding with this report, I want to stress that a strong education and solid principles at home may prevent your children from trying any of these substances.

The struggle against drugs is an ongoing war. The Mexican Government knows that alone it is unable to stop this social cancer, hence it has called on society to form a civilian network to fight drugs. President Carlos Salinas said this effort has become a true, unalterable national commitment.

[Salinas] "That is why Mexico will not let its guard down and will redouble its efforts."

At Los Pinos, Attorney General Jorge Carpizo spoke about an aggressive national program to prevent crimes against health that included the following: 1. detection of risk zones; and 2. consolidation of a social network that will allow individuals, families, and institutions to help prevent, report, and discourage consumption and sale of drugs in schools, nightclubs, and communities.

[Carpizo] "To stop the growth, consumption, and sale of drugs, we must not only arrest and imprison criminals but further increase society's efforts."

A third point addresses an awareness and information campaign for prevention and rehabilitation by private initiative, the Secretariat of Public Education, and nongovernmental organizations.

[Salinas] "Today we pledge to redouble our efforts to improve coordination between the population and government in the prevention and treatment of addictions."

The program to prevent drug addiction includes a strategy of family integration—the main cause of the problem, expansion of the children's educational atmosphere, and an awareness campaign.

[Salinas] "We are taking actions that are really innovative in the international arena. We are even taking a step ahead to actions that we are sure other nations must take, particularly those facing a severe drug consumption problem."

The Mexican Government warned that the struggle against drug trafficking cannot trample upon individual liberties and reaffirmed that its drug policy will continue to respect the law.

Chamber of Deputies Approves Financial Laws Reforms

PA1112042593 Mexico City NOTIMEX in Spanish 0916 GMT 10 Dec 93

[Text] Mexico City, 10 Dec (NOTIMEX)—The operation of foreign banks and the gradual opening of bank accounts in dollars effective January 1994 are some aspects of reforms to several financial laws approved by the Chamber of Deputies.

The reforms were approved during the 9 December session, which lasted over eight hours. The voting was 349 votes in favor from the Institutional Revolutionary Party, PRI, the National Action Party, PAN, the Authentic Party of the Mexican Revolution, PARM, and the Cardenist Front for National Reconstruction, PFCRN; 19 against from the Party of the Democratic Revolution, PRD, and the Popular Socialist Party, PPS; and three abstentions. The bill was submitted to the Senate in accordance with the Constitution.

The approved bill reforms laws regulating financial organizations and credit institutions, the general law on organizations and auxiliary credit activities, among others. In addition, it also modified laws regulating the stock market, investment societies, the general law on mutual insurance institutions and societies, and the federal law on financial institutions. These reforms will permit the opening of subsidiary bank branches abroad starting next year, which will increase competition. Consequently, there will be pressure to reduce costs and the margin of profitability, which will benefit users with high quality service.

This was stated by Angel Aceves Saucedo, president of the Chamber of Deputies' Finance Commission, who added that the opening will be gradual and therefore will not affect national banks, as the objective is having users pay lower interest rates. He noted that Mexico's economic internationalization demands the opening of financial services in order to create a general legal framework for the participation of foreign institutions in the national market.

PRI member Salvador Valencia Carmona said the reforms are positive but complex, because to a great extent they are linked to the North American Free Trade Agreement, NAFTA. He recalled that the agreement includes a chapter on financial services.

PAN Deputy Fauzi Hamdan Amad said the opening will help the country, as it will lower the cost of credit and will drastically reduce the differences between active and passive rates, which are currently causing serious damage to the national economy. He added there is nothing hidden or disguised that could hinder the Mexican economy; on the contrary, he said, the reforms will strengthen and improve the financial system.

Speaking against the reforms, PRD Deputy Jorge Calderon demanded an orderly and gradual financial opening that will truly modernize the Mexican financial system, noting that NAFTA calls for a progressive liberalization without the necessary structural reciprocity. PPS leader Hector Morquecho Rivera warned changes entail great risks for financial institutions as they are not duly prepared to face foreign competition.

During the session it was also learned that PRI Deputy Silvia Pinal Hidalgo was appointed president of the Radio, Television, and Movie Commission, replacing Legislator Oscar Pimentel Gonzalez, who is on leave.

Approves Reforms Linked to NAFTA

PA1112220793 Mexico City XEW Television Network in Spanish 0430 GMT 11 Dec 93

[From the "24 Hours" newscast]

[Text] The Mexican Chamber of Deputies met today and approved several reforms linked to the implementation of the free trade agreement between Mexico, the United States, and Canada. By 317 votes for and 23 against, the chamber approved a group of initiatives reforming nine Mexican bills that will provide judicial support to NAFTA's application.

The approved reforms are intended to ensure an affinity between Mexican legislation and NAFTA. The reforms establish mechanisms to facilitate the application of the free trade agreement by Mexican authorities. The approved reforms state that the present modifications will make it possible to ensure harmony; in addition, it will expedite the application of international commercial commitments acquired by Mexico during other international trade negotiations that are taking place, particularly those related to GATT and negotiations with Latin American countries.

The bills reformed include the foreign trade laws; the customs law; the federations fiscal code; the federations fiscal tribunal organic law; the Mexican Petroleum [Pemex] organic law; the appropriation bill; the bill regulating Article Five of the Constitution concerning professional practicing within the federal district; and the federal law regulating patents and copyrights.

The federal appropriation law articles that stand out the most are:

Article Five—Owners whose property has been seized are entitled to file, within 15 working days following the decree modification, an appeal before an executive authority requesting the cancellation of the corresponding order.

Article 10—The price fixed as compensation for the appropriated property will be equivalent to the fixed commercial value. Concerning real estate, value will not be less than the fiscal value established by the cadastre or land assessment offices.

Article 20—Compensation must be paid in national currency within a one year period as of the date when the appropriation order is issued, not excluding the possibility that payment may be agreed in goods.

Deputies representing the six political parties debated the group of reforms that provide a legal framework to NAFTA's implementation in Mexico. All of the opposition parties criticized the fact that the Chamber of Deputies had not considered them when approving NAFTA in Mexico, yet their opinions are being sought after when considering legal reforms.

More on Reforms

PA1112042793 Madrid EFE in Spanish 0253 GMT 11 Dec 93

[Text] Mexico City, 10 Dec (EFE)—On 10 December, the Mexican Chamber of Deputies approved by 317 votes the reform of nine laws to adapt them to the North American Free Trade Agreement among Mexico, United States, and Canada that will come into force on 1 January.

The laws that were reformed pertain to the fiscal regime, commercial and financial operations, and fiscal regulations to attract foreign capital to Mexican financial markets, among others. The reforms seek to modernize Mexican companies to allow them to compete in international markets and include a reduction of requirements for the merger and separation of trading companies.

To promote the export of personal services, the Chamber of Deputies exempted people who export their independent personal services abroad from paying the Value Added Tax. Among the taxes that were eliminated are those that had been levied on exports of crude oil and natural gas and their by-products, a 2-percent tax on exports, and an extra postal tax to increase the competitiveness of Mexican products.

"These changes seek to make Mexican legislation and NAFTA congruent," said Deputy Alfonso Rivera of the ruling Institutional Revolutionary Party.

The National Action Party, which is conservative, supported the reforms but criticized changes in the Law on Professions for making it more difficult for Mexicans to practice a trade in their own country.

The Party of the Democratic Revolution, the third political force in Mexico, voted against the reforms, because they think that "a purely mercantile vision prevailed" in the signing of NAFTA.

PRI Presidential Candidate Interviewed

PA1212000593 Mexico City XEW Television Network in Spanish 0435 GMT 9 Dec 93

[Interview with Institutional Revolutionary Party presidential candidate Luis Donaldo Colosio by Jacobo Zabludovsky at Colosio's Mexico City residence on 8 December—recorded]

[Text] [Zabludovsky] Mr. Luis Donaldo Colosio, thank you for receiving us in your home.

[Colosio] Thank you for this interview, Jacobo. It is very kind of you.

[Zabludovsky] Sir, today you were nominated the Institutional Revolutionary Party's [PRI] presidential candidate at the party's convention. Before moving on to specific issues, I would like to ask you to describe yourself, Luis Donaldo Colosio, the man.

[Colosio] Jacobo, it is always difficult to talk about yourself. I can tell you that I am from a small town in Sonora, where I spent my childhood and youth. I feel that I am heir to a life of work, not of privileges. The education I received instilled in me the values prevalent in the Mexican people, very important values: effort, work, perseverance, and discipline.

I grew up with those things in mind and aided by the model that my land and fellow countrymen provided. You know it is difficult to reap anything from the land in Sonora. The climate is adverse, something that the people of that region have had to overcome, too. This builds character. As a result, the people of Sonora know that nothing comes from nothing; that everything requires effort, work, and perseverance. That is what I can tell you.

I come from a family in which education was of fundamental importance and my parents' efforts so my brothers and I could secure that education were fundamental, also. That is what I can tell you about who I am and where I come from.

[Zabludovsky] Mr. Colosio, your political life is a manifestation of the life of effort you mention. For years you have been moving up, post after post. You have held popularly elected positions. You have been a deputy, a senator, and president of PRI's Executive National Committee. How did this attraction for politics begin?

[Colosio] I think, Jacobo, that we all have an experience that marks us for life. In my case, the experience that marked my life forever and prompted me to go into politics occurred in 1962 when I was 12 years old. I won a prize that allowed me to visit the president in Mexico City. At that time the president was Adolfo Lopez Mateos. Who does not remember him for his charisma, popularity, and selfless social work on behalf of Mexicans? On that occasion I went accompanied by other Sonoran children. Thanks to the effort of the teachers who were with me, we gathered with many other Mexican children. I shook President Lopez Mateo's hand, and that was something remarkable in my life. I returned to Magdalena, Sonora. After completing my elementary education I went on to high school and got involved in student activities, student leadership activities, without neglecting my studies because my father would never have forgiven me. I did the same in preparatory school and at the university. In sum, there are times in a man's life that are decisive for his future.

After I entered politics, I was elected to the Chamber of Deputies for my home state. After that I strove to reach the Senate, representing Sonora again. Chairing the PRI National Committee was a wonderful experience. I am deeply committed to politics. I would like to tell you that I see politics as a privileged opportunity to settle differences through dialogue and understanding and to advance this way. I believe in politics, not in politicking, insults, or confrontation.

I believe in politics as the opportunity that allows us to advance with a civilized attitude toward the enormous challenges that Mexico faces. That is how I regard politics, and that political commitment will guide my future actions. Mexican society certainly evolved, right? It has also evolved in terms of politics and the way society looks at public action. The politician's profile has to change, also. Society is now demanding results, facts, specifics. I think this is a phenomenon that those of us who are involved in public activities must understand. These days a politician has to be prepared. He must reject demagoguery, populism, and unrealistic things because they are irresponsible. Speaking truthfully to the people is a characteristic of new politics and the new era in Mexico. I am committed to that attitude and that way of communicating with the people and citizens. I will prove it with my action in the campaign I will begin shortly.

[Zabludovsky] The physiognomy of politicians has indeed changed, and not just in Mexico. We have seen it in recent meetings of continental leaders. We no longer see the homespun leaders who have emerged or arisen. Almost all of them are university graduates and have had higher studies. In addition to your political commitment and background, what schools did you attend, Mr. Colosio? [Colosio] My academic life....[pauses] First, let me tell you, I attended the (Juan Fenuc) elementary school in Magdalena. I also went to preparatory and secondary schools in Magdalena. I also attended preparatory school in my home town. I got a scholarship to study economics at the Monterrey Technological Institute. Later I decided to study something that at that time, 1972 or 1973, was new in the field of economics; namely, the study of regions, their economic dynamism, the study of cities, the study of the growth of cities and their behavior in industrial, demographic, and housing matters. I studied these things abroad, chiefly at the University of Pennsylvania, Philadelphia.

It was a valuable experience. I was later invited to attend an international institute headquartered in Vienna, where I spent much of my time writing and analyzing the phenomenon of migration from the countryside to the cities in Mexico between the 1940's and the 1970's. I analyzed the impact of those migratory movements of peasant men and women to the cities; the impact on the main economic variables: consumption, growth, production, supply, and above all, job creation and wages. That, in short, is my education, training, analysis, and the courses that I have taken throughout my life before I fully dedicated myself to my passion: politics and Mexico.

[Zabludovsky] Did you learn English in Philadelphia and German in Vienna?

[Colosio] A little, a little. I must confess that I did not learn as much as I would have liked. Most of my studies and research in Vienna were done in English. As I said, it was an international institute. There were researchers and scientists from several parts of the world, so the language that Mexicans, Hungarians, Russians, Japanese, and Canadians used to communicate among themselves was English. That was the language I used most in Vienna.

[Zabludovsky] Mr. Colosio, if you were elected to the presidency, what do you have to offer to us Mexicans?

[Colosio] Above all, certainty. Jacobo, for many years we Mexicans have had to make many efforts and sacrifices. We have definitely advanced. I think it would be irresponsible to denigrate those efforts, throw them overboard, or reverse them. The people of Mexico would never forgive that; it would be a behavior that would go against what the people of Mexico have wanted to do in the last few years: to persevere and achieve our goals.

I propose to lead the economy along the road of stability, the road to beat inflation, the road to efficiency, and the road to competitiveness in the globalized and regionalized world in which we are going to live. These things are essential. I propose to responsibly manage public funds because financial irresponsibility brought a crisis upon us that is reflected in inequality and social injustice that I, Jacobo, have seen in many regions of the country. I have seen it in the faces of the dispossessed and downtrodden. Financial irresponsibility, however, has left for good. I propose to maintain the economic course, but I will define new tasks. Specifically, I will aim to create more jobs and increase wages so we can distribute revenues effectively and thus improve the welfare of Mexicans.

Jacobo, I also propose to carry out, along with the citizenry, the people of Mexico, and Mexican society, profound social reforms. We cannot expect to become more competitive and productive if we still face serious drawbacks, inequalities, and poverty, all of which afflict many of our compatriots. I am not proposing a bureaucratic or centralized social reform. On the contrary, I am proposing social reform that would come from the heart of the various regions; a social reform democratically established by consensus with the inhabitants of every Mexican region; a social reform that will promote an excellent education for development and competitiveness; a social reform that will lead to the modernization of our social security system; and a social reform that will also take our natural resources into account.

Ecology and the preservation of our natural resources, Jacobo, will become an important issue in the upcoming years because this is something that Mexicans are demanding, especially the youths and children. I also intend, along with Mexicans, to expand and consolidate freedom and to deepen our democratic transformation.

In short, I propose certainty. I propose to reach the future with the democratic participation of all Mexicans in the very place where the daily life of today's Mexico evolves: in the regions and their communities. My efforts will be for the sake of man. I believe strongly in any public policy targeted at man himself, to transform his situation in order to increase his welfare in a productive manner; not only his situation but that of his family, of his community, of his region, and of the country. That is what I propose, Jacobo.

[Zabludovsky] You listed issues that profoundly concern Mexicans, among them education. Could you expound on that?

[Colosio] I think we must improve the quality of education. That education must prepare everyone, especially youths and children, to face the competitive world we will have to live in; a world characterized by globalization, regionalism, competition, and opening markets. It must be an education that allows us to strenghten the roots of our national identity, our cultural identity.

I think education must certainly prepare us to be more competitive, but it must also deepen our love for the fatherland. It must be an education that teaches values, aspects of our history, an education that conveys the efforts of our heroes to transform Mexico into a just, sovereign, and independent fatherland.

There has been great progress, Jacobo. In the past years, this government, President Salinas' administration, has earmarked large portions of the federation's general budget for education. We are currently investing about 6 percent of GNP in education. That figure is unequalled by those of other times in Mexico. This reflects current government efforts.

I plan to go even further. I do not want that investment to come solely and exclusively from the government. I want to open the doors and offer the necessary elements to ensure that Mexicans receive an education in the workplace that will allow them to compete better, to be as well trained as other workers in other parts of the world. I want to bring back the apprenticeship program. I think you recall this, Jacobo.

I want us to develop trust among ourselves to ensure that a Mexican trained at his workplace to be a lathe operator is certified and recognized as such. We want him to help increase productivity and, in turn, help increase the level of competition.

We have also advanced in bringing education or the idea of education into the regions, states, and communities. It is very important for families to participate in their children's education. I remember that when I was in fourth grade in primary school, the education that I received—especially in geography, history, and civics—pertained to the region in which I lived. In the fifth grade the same courses pertained to education on Mexico, in other words, the history and geography of our country. In sixth grade, we were taught world history.

This inductive manner, to describe it somehow, better prepares us. We know what role we are playing in the world community. This proposal of teaching quality education for development and of an education to further strengthen our love for our fatherland must necessarily be implemented through teachers. We must again treat our teachers with the great admiration that we have always felt for them. A teacher is an example and a guide. Teachers have, above all else, the right to live in greater dignity. Much has been achieved. Teachers' salaries have increased significantly by more than 70 percent over the last few years. It is a fact that we started from a very low base, but the effort is there, and I plan to go even further. I plan to struggle to give our teachers' lives and those of their families greater significance. I want to ensure and guarantee their welfare and in so doing guarantee quality education for our children. This leads me to conclude, Jacobo, that our schools are the soul of our nation. There our children and our youngsters learn to love Mexico, to know Mexico, to learn about its history, its past, its present challenges and thus become better prepared for a future with optimism and education. There they are imbued with the desire to earn their own future.

[Zabludovsky] Until a few days ago you were the secretary of social development. One of the responsibilities of that post is ecology. Could you tell us about this issue?

[Colosio] This is a fundamental issue for the years to come. There is a very distinct ecological awareness in our country, as in many others around the world. Our country has an enormous biological diversity. What does that mean? We are one of the foremost countries in the world in the area of flora and fauna. We are number four worldwide. There is a saying I like very much: We did not inherit the world from our parents, our children have loaned it to us. When we talk about ecology, Jacobo, we are talking about an ethical, moral obligation. We are not only talking about conserving our forests, jungles, rivers, lakes, and seas for the benefit of our present generation, we are talking about conserving them for the benefit of the generations to come; our children and our children's children. That is why I believe ecology and environmental conservation is a fundamental issue.

We want to create more jobs by bringing more industry into our country, but not at the expense of continued contamination of our air, soil, rivers, and lakes. That is the kind of development we no longer want. We want clean development. We want development that will create jobs, but these jobs must now be healthy, clean, and safe. I am also committed to achieving this.

[Zabludovsky] Mr. Colosio, the North American Free Trade Agreement [NAFTA] will go into effect in a few days. What is your position on this and what do you expect from the agreement?

[Colosio] Jacobo, I believe in free trade. I think the agreement ratified by the congresses of each of the three participating countries—the United States, Mexico, and Canada—is yet one more instrument that will give our products access to these markets under clear and specific ground rules. Up to now those markets had been prohibited to us, and they will continue to be until the end of the year. The treaty defines a new stage in our economic life. It provides certainty for investment and job creation. It also provides certainty to increase the Mexican people's welfare.

I believe in free trade, not only because it create more jobs but because it brings greater investment, new technology, and cleaner industrial processing procedures, which will make us a much more competitive country. Now, let me say this, Jacobo: In order to achieve NAFTA, Mexico had to clean its own house first. We must not forget that before entering NAFTA, Mexico decided to substantially lower its inflation rate. Five or six years ago the inflation rate was close to 200 percent. It was reason for doubt and uncertainty; it discouraged investment; and it encouraged speculation. Now the inflation rate is less than 8 percent, and I am determined to continue the efforts to bring it even lower. We also cleaned up public finances. In 1988, just a few years ago, the deficit in government spending was 12 or 13 percent above the GNP. That means we were spending more than we were taking in. Now we have a surplus. That means we have more income than expenses. Now, with the new agreements reached with the various economic sectors, we will invest this surplus in salaries, in more investment in the fields, and other very important items.

So, we put our house in order, and now we can and have the means to initiate a new phase of certainty, competition, and clear rules so our products can enter other markets. In that respect, NAFTA is an instrument, but it does not mean it will solve all our problems. We have to continue working. I repeat, we are not getting anything for free. We have to earn everything by our effort, toil, and perseverance, and, in that respect, if I become president, I plan to guide the efforts of Mexicans.

[Zabludovsky] You have invited the other parties' presidential candidates to a public debate. How will it be? What is your position?

[Colosio] I publicly invited all the candidates of all the parties to hold a debate that would allow the people to learn full well what our proposals are, to learn full well what our ideas are, how we have acted, how we are going to act, and how we pledge to act if we become president. Why, Jacobo? Because I believe a better informed citizen has a greater chance and more liberty to pick from the different options, proposals, and projects for the nation. I would like to say that after making this public invitation, I sent a letter to each of the candidates who are registered before their parties and known by the public as candidates of their own political groups, inviting them and reiterating my wish for us to freely establish our differences before the people. This has to be done before the news media.

In that respect, I would like to say that during this political campaign the news media will be a fundamental link between these proposals and our ideas and the wishes and sentiments of the nation and people. I have asked PRI President Fernando Ortiz Arana to contact the political parties to see how this debate will be held with all the candidates. Let the people see and study each of our proposals. I want to tell you that I am confident and fully prepared to offer and present to the people our proposal, which is a proposal for change, democratic transformation in our country, and certainty in the future.

[Zabludovsky] Mr. Colosio, after being nominated today as PRI candidate, you basically begin a campaign that is of the utmost importance for Mexico, for Mexicans, and for yourself. How do you find your party?

[Colosio] As you already know, I led the party for nearly four years. This was the most important and outstanding experience in my life, in my political career. My party, our party, is a united party ready to compete and to win. Our party proposed the reforms for changes and transformations in our country. It is a party that must open its doors to new blood, new leaders. I propose to go out and search for those new leaders where they work every day with the citizens, with the population, in their areas and communities. I propose to continue to encourage the PRI's democratic change, and that can be done solely and exclusively with the people, with PRI men and women.

The PRI has also set examples with its governments. In this case, deeds are greater than words. I want to state emphatically that I belong to a party that is prepared to compete and prepared to govern, and of course, prepared to win.

[Zabludovsky] Mr. Colosio, do you have any proposals to fight corruption?

[Colosio] Jacobo, if I become president, I propose to rule a government of law; a government that respects the law and ensures that the law is respected. I do not believe that corruption is a general trait in our society, but I must recognize that it exists. I want to repeat that charity begins at home, therefore I propose to compose a government of men and women with spotless records. I propose to fight corruption at its roots. It is fundamental that society itself take part, and that is where democratic participation plays a basic role.

The flow of information within a society is also something that must be taken into account, especially media criticism, self-control, and participation. I repeat, the media should serve as a link between an open-door government, which I intend to head, and the Mexican society, which has evolved so much and has changed its everyday tasks so much. That, briefly put, is what I intend to do. I shall not give up or back down.

[Zabludovsky] The topic of corruption leads us to another area: Corruption has penetrated public security and surveillance organizations. One subject that always comes up is the lack of security in which we live, especially in certain places.

[Colosio] Yes, Jacobo. I believe that citizens' security deserves, demands, and requires our best efforts. I have known honest policemen, people who have dedicated their lives to security and public order, people of proven honesty; many of them have died in the line of duty. I must also admit that several police corps have dark pasts. It is something we must cast out with the active participation of the citizenry and society in general.

There are two things we should consider here: The modernization of the police corps and the need to make them more professional. By modernization, I mean to outfit them with advanced scientific investigative equipment, defense supplies, analysis equipment. Here technology is accessible, and the least we can do is make it available for daily police work. Nevertheless, training and modernization of the actual police officers is also necessary. They need adequate pay to give themselves and their families security. Police also need training and preparation, but above all, much awareness of their role in society—something that I feel has been lacking for years in some of the police corps. What is the need for this? Each member must realize that their utmost duty is to ensure public order and protect citizens, not to aggravate citizens or work against them. This is something about which the people feel very strongly, and I intend to fight it with the support of the people from all the cities of this country.

[Zabludovsky] You are from the countryside. If you become president, what will you do about the historic problems of the Mexican countryside?

[Colosio] This is a very important issue that involves the welfare of many families. Our country's very poor people live in the countryside, and that is where one of the most difficult challenges of the future lies. We must take capital to the countryside. We have to make opportunities available so investments can grow, generate more jobs, and further attach the people to their birthplaces so they can receive supplies for which there is a demand on both the domestic and foreign markets. We must be more efficient and more equitable.

I think a lot has been done already. Liberties have been broadened. The new agrarian reform and the new constitutional article relate to this matter. These elements give peasants and rural producers more freedom to decide what to do with their land.

Recently, a new program to help the countryside was set in motion. It is an investment program with the objective of producing more equitable situations as well as efficiency. According to this program, the allotment of resources to farmers takes place based on the profitability of products. We should definitely eradicate paternalistic practices, subsidies, and other routines that have often generated corruption, something that must be eliminated from the countryside.

I have the firm decision to work, along with farmers and rural producers, for more productivity, more investments, and more competitiveness in the countryside.

Jacobo, there are areas that are poor and backward in the Mexican countryside. In recent years, the Solidarity Plan looked after those producers to solve their needs. I am talking about seasonal workers whose only harvest is corn, sometimes coffee, and whose productivity leaves much to be desired in terms of competitiveness and welfare. In the past few years, Solidarity provided resources to care for approximately 1.2 million peasants. That means support for 1.2 million countryside families.

I plan to maintain, expand, and improve these types of programs so we can secure more investments and bring capital to the countryside. We plan to make the countryside more efficient, which means planting crops that are profitable to create more well-being for the peasants. I also plan to continue supporting the most dispossessed peasants to improve their welfare and open the door so their individual efforts may produce more welfare for their families and more competitiveness in the face of other producers.

[Zabludovsky] How do you see church-state relations in the framework of constitutional reform?

[Colosio] I think they are fine. This is a situation that has created harmony among Mexicans. Relations between the state and the various churches now function according to clear, honest rules and respect. Both the Mexican state and the churches have spheres of action. I think we should improve and intensify these relations.

[Zabludovsky] What about oil, Mr. Colosio?

[Colosio] Oil is an asset that belongs to the nation, and as such it must remain in the hands of the Mexicans. This is a most important element for the welfare of our fellow countrymen. We will have to improve our efforts to manage it efficiently, rationally, equitably, and honestly.

[Zabludovsky] Before we continue, Mr. Colosio, I noticed that your wife has been following this conversation quite closely. Could we invite her over?

[Colosio] Of course, it's my pleasure. She has been following this interview closely. She told me she did want to miss one minute of it. Please allow me to introduce my wife, Diana Laura.

[Zabludovsky] Pleased to meet you, Mrs. Colosio.

[Colosio] She is my best friend and the person who motivates me the most during [words indistinct]. Our son, Luis Donaldo, is right here.

[Zabludovsky] Hello, how are you?

[Colosio, Jr.] Fine, thank you.

[Zabludovsky] What school do you attend?

[Colosio, Jr.] [Words indistinct]

[Zabludovsky] What grade are you in?

[Colosio, Jr.] [Words indistinct]

[Zabludovsky] Do you pay attention during your classes?

[Colosio] Answer truthfully, now. [laughs]

[Zabludovsky] What do you want to be when you grow up?

[Colosio, Jr.] [Words indistinct]

[Zabludovsky] Is this the whole family?

[Colosio] No, we also have an eight-year-old girl [pauses]...no, a nine-month-old girl.

[Zabludovsky] Nine months old?

[Colosio] Her name is Mariana, and here she comes right now. [laughs]

[Zabludovsky] She is a very elegant child. What is your family life like, Mrs. Colosio?

[Mrs. Colosio] Until a few days ago our family life was very quiet. I must say that it has changed a lot during the past few weeks. Nevertheless, I believe it just a matter of slowly getting use to our new life.

[Zabludovsky] How has everything been up to now? Does Mr. Colosio come home every day to have dinner?

[Colosio] He tries. He really has tried. I believe that he does try to come home because this is his refuge, a place where he can regain strength and then return to his office to continue working. During the past few days his work load has been quite heavy.

[Zabludovsky] What do you normally do during the weekends?

[Mrs. Colosio] We try to lead a normal family life. We try to get out of the city to be together. Luis Donaldo and Luis Donaldo, Jr. usually go out running, cycling, or hiking. We like the opera, and whenever possible we try to catch a good opera on Sunday evenings. By the way, our son recently accompanied us to watch Rigoletto. He was delighted. We try to have some quiet moments together since it is very important for him to cope with his everyday activities.

[Zabludovsky] Where were you born, Mrs. Colosio?

[Mrs. Colosio] My family is from Cuahuila. My mother is from Rosita, Cuahila, and my father is from Salinas, Cuahuila. My teenage years were spent in Monterrey, Nuevo Leon, until my university years, when I came to Mexico City.

[Zabludovsky] What degree did you complete?

[Mrs. Colosio] Bachelor of Arts in Economics from the University of [word indistinct].

[Zabludovsky] You got your degree in economics?

[Mrs. Colosio] My thesis was related to the internationalization of capital, specifically related to the assembly plant [maquiladora] industry in Sonora.

[Zabludovsky] Have you been able to practice your profession?

[Mrs. Colosio] Yes, I have. I practiced until 1987, when I started campaigning for President Salinas. At the time Luis Donaldo was working for the Budget Programming Secretariat. I decided to support him, but from another battle station [trinchera]. [laughs]

[Zabludovsky] How did you meet?

[Mrs. Colosio] He was my professor at the University of [words indistinct].

[Zabludovsky] Professor and student, right? [laughs]

[Colosio] Yes, but the relationship developed afterward. [laughs]

[Mrs. Colosio] Yes, of course. We met afterward, and he invited me to join his team. We worked together and the relationship blossomed.

[Zabludovsky] How many years have you been married?

[Mrs. Colosio] We have been married for almost ten years.

[Zabludovsky] Now, Mrs. Colosio, will you be participating in.... [pauses] By the way, what is the campaign going to be like?

[Colosio] I plan to campaign by establishing personal contact with the population. I plan to travel throughout the country once again. As you know quite well, I have traveled around the country on several occasions. I plan to visit far-off regions and urge, as well as encourage, the communities to speak out. I plan to visit every state of the republic, as well as main cities. But I also plan on visiting important rural communities to explain the various issues I presented during the convention and obtaining a consensus from the communities; in other words, I will attempt to reach a consensus with the population as well as with Mexican society in general. This is a first stage.

Afterward there will be another stage when the federal deputies and senator candidates will become involved in the campaign. This will also be another intense campaign phase that will entail group promotion and affinity in the various proposals. The candidates I plan to meet and which the party expects to support will definitely be true regional leaders; this is one of the demands the public has made, is it not?

[Zabludovsky] Mrs. Colosio, how do you expect to participate in the presidential campaign? Have both of you discussed this issue?

[Mrs. Colosio] I believe the most significant manner in which I can participate is by ensuring that things are quiet and peaceful at home. I plan to ensure that when he arrives home from his daily routine he will find us here to support him. To work in a community, the community starts at home. Afterward, I plan on being with him as much as possible. We have two small children who also require my attention; nevertheless, I am Luis Donaldo's enthusiastic supporter, and I like to participate with him in the programs in which he has been involved ever since the party began. He knows quite well that I plan on supporting him in everything that I can.

[Zabludovsky] We have had a good time at your home today. Mrs. Colosio, would you like to add something?

[Mrs. Colosio] I would just like to thank you for this interview at our home. It has been a pleasure for us to have you here today. I would like everyone to know that we are an everyday, Mexican family with deeply rooted values and a deep love for Mexico; in addition, I am convinced that we will grow stronger as a family and give more of ourselves.

[Zabludovsky] Would you like to add something, Mr. Colosio?

[Colosio] I would like to make a commitment with the Mexican people. I would like to make a commitment with all Mexicans to carry out far-reaching social reforms. I want to make a commitment to Mexicans that I will increase and consolidate our rights and further democratic changes. I want to make a commitment to our youth and children that I will do the utmost to protect our natural resources, preserve the ecology, and promote a healthy and clean environment. I want to make a commitment to Mexicans that I will work to have a country with a secure future. I will work to have a united Mexico, and, with our daily work, we will make gains, because we are willing to invest in the present to ensure a good future to the forthcoming generations. I want to make a commitment to Mexicans of confidence, assurance, and responsibility.

[Zabludovsky] Thank you.

[Colosio] Thank you.

[Zabludovsky] Madame, thank you.

[Mrs. Colosio] Quite the contrary, thank you.

[Zabludovsky] From the Colosio family's home, we thank you all and bid you a good evening.

Belize

Esquivel: UK Preparing To Withdraw Troops

PA1012154093 Mexico City NOTIMEX in Spanish 1841 GMT 9 Dec 93

[Report by correspondent Jose Luis Castillejos]

[Text] Guatemala, 9 Dec (NOTIMEX)—Belizean Prime Minister Manuel Esquivel confirmed today that the United Kingdom is preparing to withdraw the 2,000 troops that have been stationed in Belize for the last 45 years but will maintain a "defense pact" in case the country is militarily threatened.

In a telephone interview with NOTIMEX, the Belizean prime minister said that in light of the decreased threat of a military invasion from Guatemala, he recently reviewed the troop withdrawal issue with his British colleague John Major. Major guaranteed emergency military assistance, endorsed by a group of friendly countries and the United Nations, if the country's security is threatened. Belize relies on a local security force of 800 men.

In 1981 Belize and London signed a "defense declaration" establishing the permanence of British troops in Belizean territory for a "pertinent period." Stationing military troops in Belize costs the British Government more than $50 million each year. Since British investors have been losing interest in the Belizean economy, Major's government felt it would be impractical to continue stationing troops in the country.

Diplomatic sources told NOTIMEX that Belizeans are "apprehensive" about the Central American situation and the possibility of a military invasion of their territory, an eventuality which was minimized by Esquivel.

Esquivel, whose first term ran from 1984 to 1989, pointed out that it is necessary for Guatemala to renounce its territorial claims. The countries have had an boundary dispute for the past 150 years. Belize's independence, scheduled for 1972, was delayed until 21 September 1981 because of threat of military intervention.

Relations between Belize and Guatemala are now rather "thorny" following a warning by the Guatemalan Armed Forces in October that a military incursion by Belizean troops would be countered based on the principle of the "inviolability of sovereignty." At the beginning of the month, residents of the Guatemalan community of Melchor de Mencos, 610 kms north of the capital, reported that Belizean troops had entered Guatemalan territory and destroyed maize and rice crops. This forced the Guatemalan Government to mobilize troops in the 23d Military Region, stationed at Santa Elena Peten, toward the Guatemala-Belize border.

Apprehension persists in Belize over incidents on 4 February 1972 when the Guatemalan Armed Forces tried to invade Belize in a joint operation with El Salvador. But British intelligence uncovered the plan.

"We will be able to rely on the British Government's support in the event of any foreign military threat," the Belizean prime minister told NOTIMEX.

Diplomatic sources indicated that the United States could try to take advantage of the British troops' withdrawal, scheduled between January and September 1994. Esquivel, on the other hand, avoided commenting on the issue. An ambassador accredited to Guatemala warned that "there is the possibility that the United States could invade Belize because of its geopolitical interest in the Caribbean Basin."

Esquivel trusts that relations with Guatemala will improve, therefore dispelling any anxiety that still prevails among the more than 200,000 Belizeans.

The Belizean prime minister promised to act as liaison between Central America and the Caribbean Common Market (Caricom) in an attempt to encourage both regions' economies in light of the North American Free Trade Agreement. It seems that Belize would be willing to share the benefits of the Caricom, Lome, and Commonwealth customs and free trade agreements with Central America. The Caribbean country has various trade mechanisms which make investments in the country attractive and could serve as a bridge between the United States, Canada, the EC, and Caricom.

Envoy in Guatemala Relieved of Duties, Recalled

FL1012181993 Bridgetown CANA in English 1645 GMT 10 Dec 93

[Text] Belize City, 10 Dec, CANA—Belize has recalled its charge d'affaires in Guatemala, Salvador Figueroa, the state Belize Information Service [BIS] reported Friday.

The recall followed "the disclosure of a written directive to Mr. Figueroa from opposition party chairman, Said Musa, who was recently arrested on charges of conspiracy to bribe a government official", BIS explained. "In the letter dated 8 December, Musa instructs Figueroa (who was apppointed by Musa last year) to disseminate a PUP [People's United Party] document which seeks to negate the bribery charges which has led so far to the arrest of three other opposition officials including the deputy party leader Harrison Courtenay and former senator, Winston Smiling," the information agency reported. In addition, Musa writes of a rumor alleging that the new UDP [Unted Democratic Party] government will "denationalize all Guatemalans who acquired Belizean citizenship since 1981" and suggest that Figueroa use his diplomatic office to get both the publicatiion and the rumor into the hands of the Guatemalan press.

"The Ministry of Foreign Affairs, taking into consideration the gravity of such actions in the light of Belize's already delicate relations with Guatemala, has no choice but to condemn such attempts that undermine the diplomatic gains achieved so far between Belize and Guatemala and as a responsible government, must put a stop to such attempts to misuse a diplomatic office to destabilize internal, regional and internaitonal relations."

BIS said Figueroa had "tendered his resignation several days ago and sought to have it become effective within a month. Under the current circumstances, he is relieved of his duties immediately and the Guatemalan Government has been informed that Dr. Henry Anderson, first secretary in the Embassy of Belize in Guatemala City, has been proposed as the charge d'affaires ad interim," BIS reported.

Courtenay was among three persons arrested and charged Monday with conspiring to bribe a member of the Belize Government to cross the floor. The others were Smiling and James "Raindrops" Swan. The three men were released on bail of B1,000 dollars (one bel. dollar: about 49 US cents) each plus a surety of the same amount. The case was adjourned for next March.

Last month Musa, a former foreign minister, and businessman Clinton Hernandez were arrested on similar charges. This stemmed from charges made in the House of Representatives early November that the People's United Party had attempted to bribe two members of the government bench to cross the floor and topple the government of Prime Minister Manuel Esquivel.

Costa Rica

Opinion Poll Shows Voters Undecided

PA1212043493 San Jose LA NACION in Spanish 7 Dec 93 p 4a

[Report by Mauricio Martinez S.]

[Text] The polls show that less people are undecided regarding the upcoming elections. They also show, however, that those who will vote in the next elections are scrutinizing—almost with a magnifying glass, up to the tiniest detail of the personalities—the views and programs of Jose Maria Figueres and Miguel Angel Rodriguez, the two main candidates to the Presidency of the Republic. Among the people's strongest reasons for their undecidedness are a lack of credibility or trust in the candidates and the lack of sufficient information about the candidates' intentions and government programs.

This information is the result of the latest opinion poll by the firm UNIMER [expansion unknown] for LA NACION and the NC4 newscast of Channel 4 Television Station. The firm interviewed 1,770 Costa Ricans throughout the country from 13 to 26 November.

The undecided, who in an August poll totaled 23 percent, now amount to 14.5 percent of the group of citizens who said they will vote for the president of the Republic on 6 February. In the group that will vote for president—comprised of 1,370 people—Rodriguez had the support of 41.7 percent of them, and Figueres had 40 percent. Those figures, which indicate a virtual tie between both contenders, differ slightly from the ones obtained by the Interdisciplinary Development Consulting firm that were published by LA REPUBLICA and broadcast by Channel 2 Television Station's Univision newscast yesterday.

The term undecided is used to describe those who say they will vote in the 1994 elections, but when asked for whom they will vote say they have not decided yet.

Who Are They?

The UNIMER poll concluded that there is no statistically significant relation between sex, marital status, or age, and the undecided status.

While 57 percent of the undecided asserted not to have sufficient information to decide for whom to vote, 37 percent stated the contrary. Those in the first group argued that there is an absence of concrete plans and felt they are not receiving trustworthy information. Among those who have decided to vote, however, 70 percent said they had the necessary information to make a decision, and 25 percent said they did not have it.

Lack of trust is another key element in this sector of potential voter attitude. Forty percent did not believe in the presidential candidates and highlighted that they offered false promises. Furthermore, after studying each candidate personally, 29 out of each 100 believe that Rodriguez would keep his campaign promises, and 49 did not see it this way. In Figueres' case, a third believed that he will keep his offerings, but 44 percent stated the contrary.

In the total sampling and among those who have not decided for whom they will vote (199) both of the government candidates emerged as the most honest ones. Figueres occupied the second position among the first group, and Miguel Salguero of the Democratic Force occupied it among the undecided. Thirty-nine percent of the undecided favored the National Liberation Party versus the 30 percent who favored the Social Christian Unity Party, and 25 percent said they favored "none" or "others." When they were asked for whom they would "not" vote, 24 out of each 100 said Figueres; 22 said Jorge Gonzalez Marten; 15 said Rodriguez, and 8.5 said Miguel Salguero. A third did not reply.

El Salvador

Cristiani, Corado on FMLN Leader's Death

PA1112001993 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 10 Dec 93

[Report by Milton Grimaldi; from the "Up-to-Date Newscast"]

[Text] President Alfredo Cristiani has practically ruled out the possibility that the death of Mario Lopez, a leader of the Farabundo Marti National Liberation Front, FMLN, was for political reasons. Lopez, a member of the FMLN Political Committee and candidate for deputy to the Central American Parliament, was shot to death on 9 December by unidentified individuals. Cristiani said according to the initial investigations and based on a statement by a witness, Lopez was killed during a holdup, when Lopez and his bodyguard tried to protect a woman.

[Begin recording] [Cristiani] We will conduct an in-depth investigation to bring those responsible to justice.

[Unidentified reporter] Do you rule out political motivation for this crime?

[Cristiani] As you said, we have conducted preliminary investigations, and logically, until the final results of the investigation are known, we cannot make any conclusive statement. Everything seems to indicate, however—as the versions of the lady and other witnesses who were at the scene coincide—that he was killed when he tried to help someone. [end recording]

Cristiani said the joint group created on 8 December will not investigate specific cases. This case, he added, will be investigated by the inter-institutional commission assisted by U.S., British, and Spanish experts.

[Begin recording] [Cristiani] The commission has already heard witnesses, and will continue investigating.

[Reporter] [words indistinct]

[Cristiani] The joint group was not created to conduct investigations; if I am not mistaken, the four members are lawyers, and the group's mission is to determine the existence of illegal armed groups for political purposes in the country. Specific crimes must be investigated by the Salvadoran judicial authorities. [end recording]

Today, the FMLN said it was a political crime. In that regard, Cristiani said that is the FMLN position, but facts indicate otherwise. Cristiani also deplored the fact that incidents of this nature should continue to occur in our country.

Meanwhile, Defense Minister Colonel Humberto Corado Figueroa deplored the death of the FMLN leader in San Salvador on 9 December. Lopez, a member of the FMLN Political Committee, was killed by unidentified men in an exchange of fire during a presumed holdup.

Col. Corado said although it would seem that these incidents could endanger the peace process, the contrary is true.

[Begin Corado recording] The peace process has been consolidated and will continue until we attain total peace in El Salvador. It would be desirable, however, if peace could be attained without having to pay a high cost in human rights. In that regard, the Armed Forces position is total support for the peace process initiated by the president of the Republic and which he continues promoting. We deplore Lopez' death, because as a Salvadoran, he deserves our consideration. [end recording]

Col. Corado also expressed the Armed Forces' concern about acts of violence, which in some cases are committed with weapons listed as belonging to the Armed Forces. He added that those weapons will be controlled with a new law.

[Begin Corado recording] Now we have a legal instrument that will enable us to better control those weapons. We have made the first contacts with the National Civilian Police and National Police to implement the new measures. The law will become effective in one week, and from that moment we will redouble our efforts to control the possession and registration of weapons. The police will also control the possession of weapons. Weapons not authorized by law will be confiscated and will no longer be in the hands of civilians or persons who could make bad use of them, as certain weapons are exclusively for the use of the Armed Forces. [end recording]

As for the deployment of troops in San Salvador and the interior of the country, Corado said they are part of the Armed Forces' normal activities and strategic plans. He added that those plans include protecting roads and coffee plantations.

FMLN: Death Was Political Crime

PA1112040793 San Salvador Radio Cadena YSU in Spanish 1800 GMT 10 Dec 93

[Report by Balmore Parada; from the "YSU Radio News" newscast]

[Text] After ruling out the possibility that the death of former Commander Mario Lopez was a common crime, the Farabundo Marti National Liberation Front, FMLN, leadership said there is a plan to kill leaders of that political organization. Former commander Roberto Rocca [nom de guerre for FMLN Commander Francisco Jovel], accompanied by Leonel Gonzalez and Joaquin Villalobos, among other leaders, said Lopez' death is a challenge for the special commission that will investigate the existence of illegal armed groups and the government. Rocca emphatically said this plan endangers the peace process.

[Begin Rocca recording, broadcast in progress] ...murders of Veliz, Memo Castro, there has been no investigation into the possible political motivations within a plan conducted by the extreme right's death squads in our country. Nothing has been done in that regard. Police agencies in charge of investigating those crimes have only tried to reaffirm or confirm that they were circumstantial incidents or common crimes. [end recording]

Meanwhile, FMLN Assistant Coordinator Marcos Jimenez said Lopez' death should not be viewed as a common crime and should be investigated.

[Begin Jimenez recording] We have rejected the allegation that this was a common crime. We believe this incident should be thoroughly investigated; that is what we demand.

Finally, we would like to announce that the funeral services will begin at 0900 on 11 December at the university's Law School, from where we will go to a church where a mass will be said. The church has not been confirmed yet, but we will be leaving the university at 0900. [end recording]

Cristiani on Commission To Investigate Armed Groups

PA1112032393 San Salvador Canal Seis Television in Spanish 0200 GMT 10 Dec 93

[Text] In an exclusive statement for Canal Seis, President Alfredo Cristiani explained the purpose of the commission that will investigate the existence of illegal armed groups with political purposes that presumably have killed several persons. Cristiani said the commission will present to Salvadoran justice cases that are under investigation.

[Begin Cristiani recording] If there is evidence it should be submitted to the prosecutor general so that those responsible can be judged through the corresponding national institutions. With regard to the investigations, we can assure you that the government will not tolerate—on the contrary, will eradicate and firmly counter—any attempt to carry out acts of violence. [end recording]

Presidential Candidates Meet To Discuss Murders

PA1112193793 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Dec 93

[Report by David Barraza from the "Up to Date" newscast; passages within quotation marks are recorded]

[Text] For the first time since the wave of supposedly politically motivated murders began, the presidential candidates met to help find a solution to violence in the country. The candidates for the MAC [Authentic Christian Movement], PCN [National Conciliation Party], and the National Solidarity Movement were not at this unprecedented meeting, which was held at FMLN [Farabundo Marti National Liberation Front] party headquarters behind closed doors.

According to ARENA [Nationalist Republican Alliance] candidate Armando Calderon Sol, the death of PRTC [Revolutionary Party of Central American Workers] member Mario Lopez triggered the meeting of politicians to analyze proposals to halt this bloodshed.

[Calderon Sol] "The FMLN has summoned all political parties to its headquarters. We are concerned and alarmed over the violent situation in our country and the death—the murder—of fellow candidate Mario Lopez of the FMLN. It has shocked all political sectors, and we ask for a more in-depth investigation."

Ruben Zamora, candidate for the Democratic Convergence-FMLN coalition, condemned yesterday's murder and said the meeting with his colleagues was positive.

[Zamora] "All parties present expressed great concern over these violent acts and the need to stop them. The various parties mentioned several concrete steps we could take to halt this violence."

PDC [Christian Democratic Party] vice presidential candidate Atilio Vieytez placed full blame for the murder on one particular group and added that if political parties can agree, a mechanism could be created to track down those responsible.

[Vieytez] "The seriousness of the problem is reflected in the impunity with which these death squads operate, murdering political leaders in El Salvador."

The various presidential candidates announced that they will present a proposal to the United Nations on suggestions to halt these murders. The political leaders agreed to meet again on Tuesday to follow up on the case.

FMLN Mayoral Candidate in Guazapa Attacked

PA1112203293 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 11 Dec 93

[From the "Facing the Moment" newscast]

[Text] There has been another attack on members of the Farabundo Marti National Liberation Front [FMLN]. FMLN sources reported today that Andres Bonilla, FMLN candidate for mayor of Guazapa, escaped unhurt from an attack by three armed men in olive drab clothing last night. Jose Guillermo Ventura, Bonilla's brother, was killed in the attack.

According to FMLN sources, two of the three individuals entered Bonilla's house in Santa Barbara canton, Guazapa jurisdiction, at 2000 on 10 December. When the individuals opened fire with their 9-mm pistols, the candidate took cover behind a wall but his brother was unable to escape and was shot several times, dying immediately.

Guatemala

Executive To Send Budget Veto to Congress

PA1212191093 Guatemala City Teleonce Television in Spanish 1900 GMT 9 Dec 93

[From the "Telepress" newscast]

[Text] Presidency Secretary General Hector Luna Troccoli has said the Executive Branch will fulfill its requirement of sending the Legislative Branch the president's veto of the general budget on Thursday. Luna Troccoli also explained the procedure and what can be expected in the days to come regarding this matter.

[Begin recording] [Luna] After fulfilling this requirement, the Constitution—although it does not say it clearly but one can make a broad interpretation in this case—states that if the budget is not approved by 1 January, when the new fiscal year begins.... [pauses] It was approved by one of the sides, namely, the Congress, but any law approved by the Congress needs to be enacted into law and published by the Executive Branch and this did not happen because it was vetoed. If 1 January 1994 comes, and there is no budget, the 1993 budget enters into effect.

[Unidentified reporter] How many millions does it add up to?

[Luna] This year's budget totals 7.945 billion or 7.950 billion quetzals, although it contains some additions, meaning it totals approximately 8.2 billion quetzals. Technical mechanisms exist for this situation. Some of them are contained in the budget charter, others in the budget provisions, and another is contained in the Constitution. The budget law and budget provisions include a reference to the transfers that may be made on the Executive expenditures. For instance, in the case of the confidential expenditures that are included in the budget we would do the same thing we did this year. I mean, we would transfer them to other areas of investment, particularly, and they would go to existing programs. Some of it may be earmarked for the existing investment funds. That is as far as the budget provisions and the budget charter are concerned. If the executive branch were to need funds later, and if tax revenues were sufficient, it could ask the Congress, the new Congress even, for an addition to the budget. This is perfectly feasible, and at any rate we can establish that addition, depending on the needs that may come up during the first months of the year. There are different kinds of mechanisms to use.

[Reporter] [Name indistinct] from channel 5. What will happen since the deputies begin a recess tomorrow?

[Luna] The Constitution contains a provision for that. Even if the deputies were not on recess they could decide whether to debate this this year or postpone it till next year. The Constitution establishes that if the budget is not approved, and that entails the entire process of approval and enactment into a law, that is, the approval by the Congress and the Executive, the 1993 budget will enter into effect, as I told you. [end recording]

Republican Front Deputies Comment

PA1012142093 Guatemala City Teleonce Television in Spanish 1900 GMT 9 Dec 93

[Report on news conference by Francisco Reyes Lopez and Arturo Soto Aguirre, deputies of the Guatemalan Republican Front, in Guatemala City on 9 December; from the "Telepress" newscast]

[Text] The Guatemalan Republican Front [FRG] today proposed that congressional sessions be extended through December to review the amendments to the Electoral and Political Parties Law and the Congressional Internal Rules Law. The FRG also expressed its views on the president's veto of the 1994 budget. Deputies Juan Francisco Reyes Lopez and Arturo Soto Aguirre commented on this matter during a news conference.

[Begin recording] [Reyes] I neither understand why nor accept that the budget was totally inappropriate, because there is no technical reason to reject an increase for the legislative branch. I also think that, although the president had a seemingly difficult choice, he could have approved the budget. We must admit the budget plan was better organized than the 1993 budget, because it more clearly defined ways to deal with decentralization and the allocating of resources to meet the needs of people living outside urban areas. The bill certainly lowered the percentage of operating expenses, and—why not say it?—it curtailed excess spending. For example, it decreased several allocations the president himself admitted could be lowered from the presidency's operating expenses.

I believe that now that he has chosen this option, if the legislative sessions that are about to conclude are not extended, the best alternative for both him and us would be to amend the contents of and supplement the 1993 budget provisions in January. Otherwise, we could have a very high level of budget transfers that could undermine the president's good intentions. We must rescue investment spending and insist that the executing units exercise their authority in a most efficient manner, because we have never reached the 40 percent level in implementing the budget.

[Reporter] [Words indistinct]

[Reyes] That is a decision the Executive Committee will have to study along with the bloc. In principle, and in speaking for myself, even though my colleague and friend Arturo Soto agrees with me, I believe we will accept the challenge.

[Reporter] [Words indistinct]

[Soto] I think there are ways to fix the problem. What Reyes said is correct: In January we have to find a way, perhaps with some transfers or other means, to resolve the problem caused by the irresponsibility of some deputies who brought the approval process to this extreme. I do think the structure is correct. It was much better (?than) the budget the government proposed this year. We have to find a way to correct this.

It would be a pity if all the efforts made by the Finance Committee and by the deputies who came to discuss the topic of the budget out of concern for their communities and had succeeded in fixing. [sentence as heard] They were careful not to create an imbalance in the budget, because we know the consequences this would entail. It is important to find a reasonable manner to redirect the budget to prevent the 1993 budget from remaining in effect.

[Reyes] Also, I would like to stress that the president has the responsibility of not just pointing out the budget items he disagrees with, but also of clearly noting those deputies he believes are not responsibly fulfilling their legislative duties. The time has come for us, as the FRG, not to accept sweeping statements. We sincerely believe the legislative branch has a large number of deputies who are making great efforts to redirect the country. If there are no unanimous views, we would have to agree with the president's epithets. Since there are none, and because positions have been clearly defined in the legislature, we are going to ask the president to assume responsibility and give names when he vetoes or points to something done improperly.

We also are going to strive to tell the president that growth cannot be generated by coining money and that we have to honestly face the major problems that will accompany the arrival of 1994. Otherwise, the middle class and the people in extreme poverty will pay for the failure in reaching an understanding to move the country forward. [end recording]

Guerrilla Leader: No Prompt Resumption of Talks

PA1112132693 Mexico City NOTIMEX in Spanish 2134 GMT 10 Dec 93

[Report by Armando Ramirez]

[Text] Mexico City, 10 Dec (NOTIMEX) Guatemalan guerrillas today ruled out the possibility of a prompt resumption of the negotiating process with President Ramiro de Leon Carpio's administration but did admit that consultations in that regard were under way.

In an interview with NOTIMEX, Jorge Soto, also known as Pablo Monsanto, a member of the Guatemalan National Revolutionary Unity (URNG) General Command, said the government lacks any basis to announce the resumption of negotiations. Government negotiator Hector Rosada said yesterday that negotiations for peace agreement in Guatemala could resume on 15 December if the guerrillas agree to meet in Mexico this year.

Monsanto said the URNG wants to negotiate with a strong government, one that will guarantee compliance with possible agreements, but this Guatemalan president could be ousted by the military.

Monsanto, who joined the guerrillas in 1963 when he was 17 years old, conceded that the URNG is consulting with UN officials to analyze the issues and the agenda for a possible preliminary meeting. A meeting to analyze the Guatemalan situation will be held at UN Headquarters in New York on 13 and 14 December, Monsanto noted, adding that it is unlikely that a preliminary meeting will be scheduled for this month.

The leader reiterated that the guerrillas insist on returning to the Oslo and Mexico agreements. Those agreements name Guatemalan Archbishop Rodolfo Quezada Toruno as conciliator, but the de Leon Carpio administration has excluded him unilaterally.

The Guatemalan Government's proposal "cannot be the basis for any negotiation because it begins by proposing a guerrilla capitulation," he stressed.

The 48-year-old Monsanto participated in the 1962 student insurrection during the same year that he represented Guatemala at the Youth and Students Festival in Helsinki.

From the rebel viewpoint, the guerrilla leader said that "the United Nations must play a leading role not only in the negotiating process but in the verification of any agreements made." Monsanto disclosed that the URNG proposed to Monica Pinto, the UN expert for Guatemala, that the United Nations study the possibility of sending peacekeeping forces to Guatemala to guarantee a possible suspension of hostilities. "A cease-ire must be the result of discussions, not a maneuver like the Army is planning," he said. Monsanto has been the top leader of the Rebel Armed Forces (FAR), one of the largest URNG groups, since 1971.

Monsanto accused the Army of trying to avoid compliance with the commitment made by former President Jorge Serrano to refugees. The Army is linking troop withdrawal from territories where refugees will settle when they return to Guatemala with a suspension of guerrilla activity in the area.

The military presence in northwest Guatemala was one factor that made the return of a second group of refugees difficult. That group of Guatemalans lived in Mexico for over 10 years but returned to the country on Wednesday.

In 1962 Monsanto fought the Cuban counterrevolutionaries in the Escambray region and then returned to Guatemala to join the armed struggle in eastern Guatemala with military units of the then Labor Patriotic Youth.

According to the URNG, de Leon Carpio's administration has grown weaker in the fewer than six months since he took office because the institutional crisis between the executive and legislative branches is far from resolved.

The fate of the current administration could be defined in January's referendum and in the possible parliamentary election of March 1994, Monsanto noted, emphasizing that the results could mean either the strengthening of de Leon Carpio or his ouster.

The URNG leader said de Leon Carpio's administration could grow stronger if it approves government measures that benefit poor sectors and if it resists pressure from what he described as "recalcitrant sectors of the country's army and oligarchy."

Monsanto admitted that the war in Guatemala, which is more than 30 years old, is at a standstill, because neither the Armed Forces, nor the guerrillas have the capacity to destroy the enemy.

The rebels continue with their units and their activities to wear the Army out, but that does not mean the guerrillas are endangering the Army's existence. The guerrillas can become a threat, however, if their actions continue, Monsanto explained.

The rebel leader noted that the military has been unable to destroy the URNG despite the fact that it has 47,000 troops and 700,000 civil patrolmen.

Both sides are separately preparing for future clashes at a time when the guerrillas are beginning to profit from the frustration of broad sectors of the population following six months of de Leon Carpio's administration.

The troops remain in their garrisons and avoid confrontations with rebel units following the suspension of the announced "Victory for Peace 93" offensive, in view of the demoralization caused by 430 casualties, including soldiers and officers, in the first five months of this year.

Honduras

Armed Forces Promote 86 'High-Ranking' Officers

PA1112214993 Panama City ACAN in Spanish 1729 GMT 11 Dec 93

[Text] Tegucigalpa, 11 Dec (ACAN-EFE)—The Honduran Armed Forces promoted today 86 high-ranking officers, including several who have been accused by civilian organizations of being involved in cases of human rights violations.

The promotions ceremony took place at a military installation near Tegucigalpa commemorating Army Day, a day when officers are traditionally promoted.

The promotions benefited a total of 22 colonels, 31 lieutenant colonels, and 33 majors, including Jordy Ramon Montanola, Victor Manuel Bueso, and Carlos Alberto Andino, who have been connected with human rights violations and abuses of power.

The Honduran Human Rights Defense Committee [CODEH] and the Committee of Relatives of Missing Persons have objected in particular to the promotion of Major Montanola, who now has the rank of lieutenant colonel.

CODEH President Ramon Custodio has accused Montanola of commanding Battalion 3-16, which has been linked to the missing status of 143 individuals and to approximately 60 political assassinations from 1980 to 1984.

The commemoration also marked the retirement of 108 officers.

The Honduran Armed Forces consist of 27,000 troops distributed in the Army, Navy, Air Force, and Police.

[Mexico City NOTIMEX in Spanish at 0931 GMT on 10 December in a similar report states that the military institution has reported that among those to retire is Colonel Juan Lopez Grijalbo, who was military intelligence chief during the 1980's.]

Army Troop Reduction Rejected

PA1212032693 Mexico City NOTIMEX in Spanish 0006 GMT 12 Dec 93

[Text] Tegucigalpa, 11 Dec (NOTIMEX)—Armed Forces chief Luis Discua today rejected the idea of reducing the number of troops in the Honduran Army as proposed by President-elect Carlos Reina. During the commemoration of the 168th anniversary of the Army's founding, Discua said that "the military structure is practically the support of any state's sovereignty."

Reina, who won the 28 November elections and will assume his post on 27 January, proposed adjusting the defense budget in terms reasonable to a general plan of reducing public expenses. "It is advisable to bear in mind that it is more efficient and less expensive to have a smaller Armed Forces, but one of great power and technical capability," the president said. The military insists that the Honduran Army is Central America's smallest and that it meets national needs.

During today's ceremony, 86 high-ranking officers were promoted, including several whom humanitarian organizations have accused of human rights violations. The promotion covered 22 colonels, 31 lieutenant colonels, and 33 majors, while 108 officers were retired after having completed their years in service.

Congress Creates Attorney General's Office

PA1212203793 Panama City ACAN in Spanish 1845 GMT 10 Dec 93

[Text] Tegucigalpa, 10 Dec (ACAN-EFE)—Legislative sources reported today that with Congressional approval of the Attorney General's Office, the Honduran Secret Police and the specialized Narcotics Police will be headed by civilians beginning in 1994.

The congressional decision generated concern in the Armed Forces hierarchy, headed by General Luis Alonso

Discua, which has the police as one of its main corps. "We fear that they (the police in civilian hands) will be handled irresponsibly and in favor of certain interests," the military commander noted, and asked that a decision on this matter be "agreed on." Discua emphasized that "the police must not lose their capacity to act, putting aside the interests of any group."

Effective in 1994, the recently created Attorney General's Office will investigate crimes. With the new institution, approved by a majority of votes, the elimination of the Department of National Investigation (DNI) and its replacement by the Criminal Investigations Directorate (DIC) were confirmed. The Narcotics Police, considered one of the most important investigative bodies due to increased drug trafficking, will operate under the Attorney General's Office, which will be headed by a civilian.

The creation of the Attorney General's Office and the transfer of police organizations to civilian hands were recommendations made by a high-level commission created early this year after police were accused of being involved in acts of corruption and crimes.

The military had controlled the police since 1963 when the liberal government of Ramon Villeda Morales was overthrown and the civilian police were dissolved. It is estimated that the police, including the investigative organizations, have approximately 7,000 members, most of them in the cities.

Nicaragua

Ortega Urges Farmers To Paralyze Chinandega

PA1012223593 Managua BARRICADA in Spanish 7 Dec 93 p 12

[Article by Oliver Bodan]

[Text] Chinandega—Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], said the government will meet producers' demands only if they paralyze Leon and Chinandega with tractors and barricades.

"We must paralyze Leon and Chinandega until the government begins to meet our demands, otherwise it will not," Ortega said during a meeting with farmers and professionals of the second region last Sunday.

Small farmers and Sandinist peasants met with the former president to tell him of the problems they face, such as a lack of bank credit, the fact that 96,000 manzanas are unfarmed, and a lack of incentive for producers, among other things.

Ortega met with FSLN members and supporters in the morning to discuss regional problems, including the plight of 3,000 unemployed banana workers and 100,000 unemployed workers throughout Chinandega Department.

Reforms Must Be Discussed

He insisted that the constitutional reforms must be adopted with the concurrence of the Nicaraguan people, because "it would not be democratic if decisions were made only by the leaders. That would imply disrespect of the Nicaraguan people's dignity," Ortega stated.

Ortega said it is "very important" that the constitutional reforms be discussed by all Nicaraguans, because that way the government can negotiate not only with international organizations but with the participation of the National Assembly "and the Nicaraguan people."

Regarding the UNO's [National Opposition Union] decision not to attend the dialogue with the FSLN until it meets with the government and reaches an agreement, Ortega said the position "cannot be acceptable in UNO; an attitude of dialogue should prevail," he stated.

"If Articles 192 and 195 are reformed on 9 December, we will no longer be under pressure for 1995, but next year we must give more importance to the economic reforms because they cannot wait," he said.

Only Crumbs

He criticized the U.S. Government disbursement of $40 million, which he said was "crumbs" for this country, because the U.S. Government must pay $17 billion for the damage caused during the war of the last decade "as was ordered by the International Court of Justice at the Hague." "What the government and media describe as aid is only a down payment. The United States is using cents for a down payment," Ortega sated.

The former Nicaraguan president also said that to recover the "mysticism of the sixties and seventies" we should start with "something as basic" as contributing dues—even if only one cordoba—by the party members.

Panama

Endara Sanctions Law on UN Antidrug Convention

PA1312010993 Panama City LA PRENSA in Spanish 10 Dec 93 p 1a

[Report by Orlando Mendieta C.]

[Text] President Guillermo Endara has sanctioned the law through which Panama approves the UN convention against drug trafficking, a convention that establishes the extradition of drug traffickers and a reciprocal legal assistance among its signatories.

The Legislative Assembly had approved the convention in a third debate, but President Endara had to sanction it so that the United Nations would recognize it internationally.

Although Panama has approved the convention in its entirety, the law specifies that it is not bound to extend the seizure and confiscation of assets equivalent to the value of other assets originating from crimes identified in the document, because it would contradict Article 30 of the Constitution which bars the seizure of assets as a penalty.

The purpose of the convention is to promote cooperation between signatories in such a way that they may confront more efficiently the diverse aspects of illegal trafficking of narcotics and psychotropic substances.

Crimes identified in the convention include the production, sale, and international distribution of drugs, as well as transportation, conversion, or transfer of goods originating from drug-trafficking activities.

According to one of the convention articles, each of the crimes cited in the document leads to extradition, as already established in existing conventions.

The convention also binds the signatories to agreeing with each other on cooperation in conducting investigations, processes, and other judicial actions.

PA, PRD Considering Possible Alliance

PA1112150393 Panama City EL PANAMA AMERICA in Spanish 10 Dec 93 p 1A

[Report by Juan Manuel Diaz C.]

[Text] Members of the Arnulfist Party [PA] and the Democratic Revolutionary Party (PRD) are studying a possible alliance in the 1994 elections. Meanwhile, a faction of the National Unity Movement (MUN) objected to the alliance made recently by that party with Solidarity, Independent Democratic Union [UDI], and Civic Renewal.

Immigration Director Antonio Dominguez brought up the issue of a PA-PRD alliance. Dominguez said a coalition with the PRD "does not mean a betrayal of democracy," because the members of that party are not responsible for the mistakes of their leaders.

For Dominguez, it is still early to predict the alliances that will be made in 1994, but he admitted that for the PA to run alone "would be like running up against a brick wall."

According to Dominguez, when the time comes to make a decision on a coalition, the PA will have several parties behind it supporting the candidacy of Mireya Moscoso de Gruber.

Meanwhile, Manuel Donato Jimenez and Roberto Morelos of the "Mission on The Go" Movement [Movimiento Mision en Marcha], a faction of the MUN, said the alliance with three other parties announced by MUN president Jose Manuel Paredes is an "antidemocratic, personal, and independent" measure.

That faction decided to disavow the alliance with Solidarity, Civic Renewal, and the UDI.

Those opposing the aforementioned alliance announced they will resort to legal means to demand responsibility from the perpetrators and accomplices of this arbitrary action.

PRD Candidate's Links to Military Questioned

PA1212030993 Panama City EL SIGLO in Spanish 6 Dec 93 p 5

[From the "Leaks and Tips" column]

[Text] We had never heard a politician speak with such cynicism. The statement by the Democratic Revolutionary Party, PRD, presidential candidate, Ernesto (Toro) Perez Balladares, to journalist Lucy Molinar during her "High and Clear" program is a monument of perfidy and cynicism. This man who enjoyed all of the privileges and who became a millionaire under the military governments now says petulantly that they persecuted him and that he fought against them within his party—the Democratic Revolutionary Party, PRD—and even had to go into exile with his family for four months.

Toro Balladares and his acolytes really believe that the Panamanian people are stupid and have no memory. They really believe that no one here remembers that he was the pampered finance minister of the military leaders; that when a cousin of his was foreign minister and he could not be appointed finance minister due to their consanguinity, a man by the name of Adames was appointed minister, but Toro Balladares was who really occupied that position and ran the office.

Although it is true that politicians in general are liars, Perez Balladares is unbelievable. During the program he said emphatically that he only collaborated with the military governments until a year after Torrijos' death, in other words until 1982. He forgot to mention, however, that Noriega, with whom he appears embracing in many photographs, asked him to direct the presidential campaign of the candidate supported by the military commanders. That was in 1989. Would narcodictator Noriega ask someone he did not trust to direct his candidate's presidential campaign and give him millions of dollars...? We ask people to think about that.

Perez Balladares' cynicism does not end there. He also denied having any commitment with the former military officers who supported Noriega in reorganizing the Army under the name of the National Guard. "It would be silly if I supported the creation of a new militarism that would be over me." Those were more or less his words, which he said in the most simplistic way, believing that no one knows about his meetings with Delgado Diamante, Moises del Rio, and others, to establish an army with the excuse that it is the only way to ensure compliance with the Carter-Torrijos Treaties. We will elaborate more on this subject later.

A select group of former soldiers who backed Noriega has been meeting with PRD presidential candidate Toro

Balladares. During those meetings, they have discussed the creation of a new military institution. As bait, they are offering that the president of the Republic will be the Armed Forces commander in chief. That is how it was under President Marco Robles, and you all know what happened afterward.

According to the talks and agreement between the PRD and the former military officers, the new Armed Forces will be comprised of the Infantry Force, Air Force, Navy, and Infantry Marines, in addition to a special force for canal defense. Finally, a new police force will be under the military command. All of these new forces will be under a new ministry, the National Defense Ministry. The defense minister will be appointed by the president and ratified by the Legislative Assembly.

Participants in the meetings have proposed appointing former Colonels Roberto Diaz Herrera, Moises del Rio, and Eduardo Herrera to the post of defense minister. If the PRD gains power, the alleged Armed Forces, in line with has been promised, will have a general council which will comprise all military commanders, and these commanders are to hold monthly meetings at which they will have the right to speak and vote.

The commanders of the various forces will have the rank of major or higher. According to the military men who participated in the meetings with Balladares and others, there will also be a general staff comprising the commanders of the five forces listed here. The duties of these commanders will be established on the last meeting to be held by this group.

Toro Balladares has said privately that the signing of this agreement with the military will guarantee him no less than 60,000 votes in the upcoming elections. Civilians and a former hand-picked president of the dictatorship have asked Balladares to create a new National Guard if he becomes president. They have also asked that this force be like the one dictator Torrijos had and that all of the members of the military dismissed because of crimes of homicide, torture, embezzlement, and so on be reincorporated to their posts.

All of the above information was taken from a lengthy secret document that includes the agenda of the discussions between the military and Balladares and his negotiators.

We are challenging Ernesto Perez Balladares to deny this report. We are challenging him and his PRD to prove that they are not committed to reestablishing the Army that was crushed on 20 December 1989 without firing one shot and that, led by its "leader," Manuel Antonio Noriega, fled shamelessly.

Let Balladares prove, if his folly were realized and he became president, that he is not committed to negotiating with the United States to return narcodictator Noriega so that he may serve his sentence in a Panamanian jail. You know what this means, especially considering the PRD's campaign is being financed with money Noriega obtained through drug trafficking and that arrives in Panama by way of his lover, who has become a very powerful figure within the PRD.

MPE Presidential Candidate Interviewed

PA1112002393 Panama City TVN Television Network in Spanish 1600 GMT 5 Dec 93

[Interview with Ruben Blades, presidential candidate of the Papa Egoro Movement, by Journalist Luz Maria Noli and unidentified telephone callers in Panama City; from the "Dialogue" program—live]

[Excerpts] [Noli] [Passage omitted] Good day, Dr. Blades.

[Blades] Good day.

[Noli] Last Sunday LA ESTRELLA DE PANAMA published a memo from Ruben Blades to the members of the Papa Egoro Movement [MPE] which said, more or less, that they must either do as you say or do without a president. There was also a note to the effect that the memo was a final warning. Disregarding the date on which the memo was issued, it immediately reminded me of many years ago, many many years ago, when as a child I would become angry if we were playing ball and my playmates refused to do as I asked or demanded; I would take my ball and the game would be over, unless someone with authority approached, prompting me to immediately adjust my attitude. My question, Mr. Blades, is if as a presidential candidate, you do not find a troublesome similarity between my childhood memory and your memo.

[Blades] In emotional terms I believe we could establish a parallel but the situation is different. First of all, the memorandum is dated February 1993; I was trying to make everyone understand once and for all that I was not going to espouse proposals that were not the result of an internal discussion of all the points of view within the MPE. The Panamanian people can rest assured that once we establish a program it will be fulfilled the way it is presented. I am not here to satisfy anyone's ego or to pursue courses that are not the result of a consensus.

I was simply saying this: If you truly want me to be this movement's leader, stop the senseless selfishness, divisions, internal accusations, and so on, and let us work together to resolve the country's problems. If this is not your intention and resolve, do not include me because I will not deceive the Panamanian people. This, basically, was my position.

I would like to add that if, at any time during my political activity, after we have discussed the issues and presented our positions—which, by the way, are the result of a national consultation—someone or any group within the MPE decides not to support our decisions, I would cease to participate in the MPE. I am not here to deceive the Panamanian people or anyone within the MPE. I do not want you to believe I was throwing a tantrum...

[Noli, interrupting] A tantrum by an unruly child, right?

[Blades] I have thought about this. It is not a situation I am dealing with in an improvised manner. I have thought it out. In Panama we are accustomed to destructive and nonconstructive discussion. I am here to build, not destroy, and if, in fact, the MPE's intention is to present a proposal resulting from a discussion, I will direct it. Otherwise, I will not.

[Noli] I remember your first news conference; reporter Velasco attended it. At some point she asked a question that went something like this: What authority do you have to criticize if you have been absent all this time while those of us who stayed behind were not precisely in a bed of roses? At first it seemed as if you had gone a bit deaf and the question had to be repeated twice. True? It seems as if when someone expresses an opposite opinion, sir, you do not handle it very well. This, as a Panamanian, worries me. It worries me that the gentleman sitting in the presidential chair has the exclusive right on what is true and what is correct. That is the question I want to ask: How accurate is this perception?

[Blades] Look, let us admit we are human, to begin with, and let us also admit that the political situation is something that inflames passions, and that each person believes in his or her position. I am, obviously, just beginning a series of political actions, where passion continues to play a role. This, however, does not mean in any way that I am unaware of the political position of others. Not at all. Please do not worry about this point. Suddenly people are going to say that I am arrogant and that I do not listen to anyone. An arrogant person does not consult anyone; an arrogant person does not insist on public discussions; an arrogant person remains where arrogance is prized: in the artistic world. If I were an arrogant person what better place for me to be than in the artistic world where there is nothing but praise? Instead, I have descended to politics where people get criticized, receive criticism and a beating. I will obviously do whatever is necessary to make changes. I frankly believe I already have. If there is a news conference.... [pauses] what is more, during the convention the media asked questions. I think I have matured in this regard. I will try and correct the emotion—it is not an imposition, it is the emotion.

[Noli] Your statements seem to be those from someone who is well aware of his lucky star. Why deny it? You have been blessed by plenty of fortune. Are you aware of the mission you want to accomplish? For example, when you accepted the nomination as presidential candidate on behalf of the Papa Egoro Movement, the NBC cable channel broadcast statements by you to the effect that you were a winner, a successful man, more or less in those words, and that you did not have the slightest intention of changing this streak of luck because this time it was not going to be any different. Why do you feel that we Panamanians should vote for you?

[Blades] For two basic reasons: First, because I am an honest person; and second, I have the will to resolve problems. I believe those two points are the most important. At no time and under no circumstance will I promise what I cannot or what I do not intend to do. Let me also clarify something in view of this: I am no genius; I do not have personal answers for all the difficulties we have at the national level. I am not an expert economist, an expert in sociology, expert in ecology, or health. I am not and I do not intend to be one. What are we doing? We are making consultations at the national level that will allow us to learn from the people first hand and from people who know first hand about the national problems, what these problems are. First, we need to identify the problem before presenting solutions. We need to identify what the problem is and this is what we are doing. What makes me important is my power to bring people together, nothing else. Dr. Perez Balladares is very capable; Dr. Ricardo Arias Calderon is very capable; Dr. Carles is very capable—the national problem is not that we lack capacity. What we are lacking is credibility. We are trying to allow, through the formation of a movement open to all opinions, for an opportunity for proposals in our country that will include everyone. This is my value; nothing else. I want to stress this. The arrogant person believes he or she has answers for everything. As I have already said, no party or candidate holds the answers to the problems down the road. The answers will come from the sum of the national wills; the result of a national wish. I swear to you on my mother's grave: I have honesty and a will to resolve problems. We have not come here to steal or to allow anyone to steal. Nor have I, after 45 years, come to sell myself here. I will not do so.

[Noli] We will now go to the phones with questions from the listeners. Go ahead please.

[Caller] I would like to question Dr. Ruben Blades on something that has attracted my attention. When democracy was [word indistinct] in Panama in 1990, there was Ivan Zuniga's salary reduction, the salary reduction that Ivan Zuniga, University of Panama rector, imposed on himself. He did not accept the salary that was earmarked [words indistinct]....

[Noli, interrupting] What is the question?

[Caller] The questions is, does your government program plan to reduce the Panamanian legislators' salaries.

[Blades] This issue involves many matters that must be taken into consideration. A vast majority of the people feel that the salaries are much too high. This is not only with regard to the legislators's salaries, it is also with regard to the salaries in certain government administrative posts. We have not discussed this aspect in our proposal because we did not consider this to be a top priority for the nation. Nevertheless, we do not rule out that further down the road a referendum could give us pointers on this issue. The matter here is much more complex than it appears. I do want to say here that I believe that work well done should be well paid, otherwise, that person will go to the private sector. We would then be left without the available capacity to successfully confront a series of problems. It is, however, a possibility for future debate but it does not form part of our proposal.

[Noli] Your proposal, however, does include the unemployment issue. I have asked several politicians on this program or on programs with several other persons: How is the unemployment problem going to be solved? I want to know what formula you and your group would use to solve this problem.

[Blades] The answer to this question is extensive; I will try to sum it up. Before I do, however, I want to tell you that we are presenting a draft on our position on this issue. In my opinion, our nation's economic problem has political roots. Why is this? Because the political process, over the decades, has also become an economic activity. The political situation and the economic situation are totally entwined. The statement that we have a liberal style economic system here is totally false. It is not even neoliberal. Our economic system is basically established on the state's interventionist attitude. The state does not become a provider, rather, it becomes a sort of obstructor of the economic activity, while it also is a player in the economic game. The political parties that spend funds on campaigns do not want to reach power to serve the nation, although there are a few exceptions. Usually, to attain political power implies determining who will benefit, who will be the players in the economic game.

Therefore, the first step in facing the unemployment problem is to decentralize the economic and political power that currently lies in the hands of the state. This economic and political power is exercised through an economic policy that, above all, is state-geared and very selective. It is this way for the friend, the party members, and the relatives. This political decentralization involves a series of changes of attitude in the state structure. We have to return power to the provinces so the provinces can determine what their needs are, what their possibilities are—in potential and true terms.

[Noli] Possibilities of [word indistinct]

[Blades] Exactly, it is to return to the provinces the power to decide. If we discuss the situation in Bocas del Toro, for example; if we make a comparison between the situation in Bocas del Toro now and the [Colombian] Department of Panama before the 1903 independence, we will find that the situation is the same. Bocas del Toro could very well argue the same reasons used in 1903 to separate ourselves from Colombia. We believe in the distribution of economic opportunity. How is this done? By eliminating the obstacles that prevent or that discourage investment. This means doing away with formal obstacles and at the same time cleaning up public administration. There are many people who come here to invest in Panama and the first thing they come up against is the internal argument on who will get the commission or who is going to get the bribe. This discourages investment on a nationwide level. Besides, we have too many regulations that prevent the economic activity from taking off. This not only harms macro investment, it also harms the small and medium investor.

We must make sure that investments are evenly distributed so they do not concentrate in the Province of Panama, but also reach the interior. We must also make sure that property is evenly distributed by way of granting land titles, for instance, in the agriculture sector and creating a national housing program. This will permit Panamanians to own property.

In addition to this, we must create the conditions to increase people's confidence in the national judiciary system. People must believe that in Panama there is a law that will be applied to all in general terms, and not a law that will have specific effects and will only impact on some sector.

We must also conduct an inventory by province to determine that province's contribution to the national treasury. I also believe it is important that the economic plan be a coherent one, in which the public sector—the state—and the private sector work in the same direction.

[Noli] If you are going to implement a coherent economic plan, the state and the private sector must do their share.

[Blades] Yes, but there is no concerted effort at this time. Each sector is moving in a different direction. Listen, we Panamanians place great importance on unimportant things instead of concentrating our efforts, for instance, on repairing, creating, and maintaining the infrastructure. As long as we continue with the current infrastructure, national investments will not be developed. We must earmark public spending to create infrastructure and improve and maintain the same. It is inconceivable to achieve an economic transformation without having present an infrastructure that permits this. This is done not only by building roads or a transportation network that brings development to the interior, but through the efficiency of our service of electricity, water, public services. [passage omitted]

[Caller] I have two questions. First, as you know, in the year 2000 everything will be turned over to Panama. Will the minimum wage in the Canal Zone drop to Panama's minimum wage or will it remain where it is?

[Blades] Is this your first question?

[Caller] Yes.

[Blades] Is there a critic behind you?

[Caller] No, a cat.

[Blades] No, that was a small child. Your second question?

[Caller] My second question is this: Will there be any change in the retirement ages of 50 and 60? Thank you.

[Blades] Allow me to tell you the following. I am not saying this will happen. I am stressing this because we are discussing a draft for discussion. I will give you my personal opinion, which does not reflect the party's position, because, I repeat, we only have a draft proposal.

I believe the wage system in the Canal Zone should not change when the administration of that sector is turned over to Panama. I believe we are... [pauses] The canal represents a lot more than employment and administration. It reflects the ability of the Panamanian people, their capabilities and discipline. I believe canal personnel are trained experts and that we cannot, under any circumstances, create conditions that will alter their stability, efficiency, or productivity.

My personal opinion is that we should not alter these conditions. Additionally, by doing this we will also do away with the argument in favor of having U.S. bases stay in Panama, based on allegations that without them we will lose a series of advantages and so on. I believe we might consider maintaining current Canal Zone salaries, not only for our country but for the world. We could pay them from the profits currently generated by the canal and from future economic improvements.

As for your second question, I am going to propose the possibility of reconsidering retirement ages. We will consider withholding money from each person's salary depending on how much he makes to create a sum that will serve as a foundation.

[Noli] An additional contribution?

[Blades] Yes. We must reorganize everything, but we are trying to present imaginative proposals. For example, may I?

[Noli] Yes, yes, of course.

[Blades] I wanted to point out that, concerning this issue, for example, I believe we could maintain retirement ages at 55 and 60. We would withhold 2.50 balboas a month from people who earn up to a certain amount, for example. Those who earn minimum wage would have one balboa withheld a month. Those who earn between 500 and 800 balboas would contribute five balboas monthly. In other words, based on the size of individuals' salaries we would gradually withhold money until we amass a contingency fund that will eliminate cuts [words indistinct].

[Noli] Mr. Blades, forgive me for interrupting you, but how can you ask me to make an additional contribution three days before retiring, so to speak, when I have been contributing a considerable part of my salary throughout my life? You are asking me to make an additional sacrifice while the people who stole the money are enjoying total freedom.

[Blades] I have two answers to that question: First, I reiterate, we are not asserting this will be the case. This is simply an idea for discussion. Second, what other choice do we have? [passage omitted]

[Noli] A few minutes ago, you were talking about the military bases and the salaries. Do you agree with a renegotiation of the bases?

[Blades] No, I do not agree with that. I believe that in order to consolidate a national leadership and a national identity in Panama, we should not have foreign bases on our territory. This is my view. I believe that if we talk about the demilitarization of our country, we should not make any difference between a bad Panamanian Army and a good foreign army. If we are going to talk about demilitarization, we must do it in national terms. I think it would be a shame not to consider this point.

This is my view. What I have said—and, yes, there are some newspapers and parties that are trying to confuse the facts—is that we do not seek to impose our view on this issue, but to make a decision based on a national consensus. I think that if Panamanians want it, a referendum should be held to determine whether or not the U.S. bases will remain. If you ask for my personal view, I will answer that I do not want any foreign bases in Panama.

[Noli] Now we are going to take our next call.

[Caller] I want to congratulate Ruben Blades for telling the plain truth: Professional politicians are responsible for the current situation in Panama. I want to congratulate you. I want to ask you to tell us once again why they are responsible. Panamanians know it. They have turned Panama into a backward country, and they merely seek power to control the public funds.

[Noli] Fellow viewers, we are broadcasting a live dialogue in which you can participate by dialing 36-4644. Ruben Blades has a question to answer, and, even though we have a caller on the line, we are still taking calls.

[Caller] Good morning, Mr. Blades.

[Blades] Good morning.

[Caller] I would like to know about Papa Egoro's proposal or plan for the Panamanian foreign debt. How would you implement civil service at the national and international level with regard to the embassies and consulates?

[Blades] Do you want me to answer this question or the previous one first?

[Noli] I only beg you to give a brief answer; the previous question first.

[Blades] To the person who said that politicians are to blame, I say sincerely that I believe we are all at fault. We are all responsible for what has happened in Panama. I do not think it is right to blame a specific group. Let us always remember that, regardless of whether we refer to a dictator or an inept president, he manages corruption; he does not create it. He manages it. It is our fault. We have to acknowledge this and work hard to prevent this from happening again.

[Noli] Now the last question: What is your plan on the foreign debt?

[Blades] We do not have a tangible plan yet because we advocate a national discussion to avoid being asked: Why are you saying this or imposing that. As far as the foreign debt is concerned, the first thing we have to do is to create a permanent negotiating team. We have truly mishandled this issue. A representative of the chief executive unilaterally said we were going to pay the entire debt, which is a mistake, because this leaves us out of the negotiation. Our negotiators have been riding a carousel: six, seven, or eight people making statements and this prevents us from holding a discussion.

On the other hand, we cannot disregard the fact that the IFI's [International Financial Institutions] or the international economic organizations, in one way or another, also follow instructions from the United States. Our government has not had a genuine opportunity to discuss on an equal footing with the U.S. Government. We believe that this situation will change with a new government.

I would like to add that we acknowledge—it is very important to mention this—all Panamanian financial obligations. We acknowledge them and will handle them. We also acknowledge the national internal debt and such priorities as the upkeep and building of infrastructure to promote investments that will help us face the foreign debt problem.

[Noli] Hold your answer to the question on civil service because we have a call from Chitre.

[Caller] I would like to know, in case you join an alliance—and I think this is necessary— will such an alliance be based on ideology—that is, based on parties that share political ideologies, or will it be based on parties that have a possibility of reaching power?

[Blades] Thanks for your call. First of all, I understand the need to reach a consensus that will allow us to not only win, but also to rule. This is important. I repeat, not only to win, but to rule as well. Reaching power for the sake of reaching power is a mistake because we would not be able to rule and because certainly our government program and what we have discussed would be compromised by the favors we would owe to those who supported us. We would then end up as dirty and discredited as everyone else.

As for our criteria to join an alliance, I would say basically what you said; it would not be based on ideology because we are involved in a broad discussion. Ideology fails to take reality into account. Ideology imposes; it does not foster discussion. It imposes a situation defined by dogma. We do not believe in this; therefore, the alliance would not be based on ideology, but on a consensus of goals, as reflected in our government platform.

Let me tell you something that I believe is very important. We have talked to many people. In the current situation and all over the nation, we have been told—I am being honest here—to run alone. This does not mean I am saying we will in fact do this. We are talking to many political representatives because we are interested in a national consensus.

[Noli] Do you know that it is said in political circles that you are the MPE's only drawing card?

[Blades] That is not true. It may have been true before. Fortunately, right now the MPE's drawing card is not me, but our platform. Thank God we have this platform, which will be made public in about 10 days.

[Noli] Next caller, please.

[Caller] Good morning, Mr. Blades. I would like to know if you would be willing to run on a presidential slate as the vice president, as opposed to the presidential position, which I believe is your aspiration?

[Blades] Thank you. If I thought it was not necessary and if the people so advised me, I would not be interested in the first, second, or third position. What is currently happening....[pauses] It's not my feelings that matter here, but the national situation. No one—I reiterate—no one seems to trust any of the current candidates, and whenever we mention any of the candidates, people immediately reject them. Therefore, rather than running for any major position, we are interested in the level of acceptance people give to our platform, which is the result of consultations with the people. Would it be duly respected? That is our actual concern.

[Noli] But there are 18 parties?

[Blades] So far.

[Noli] Yes, there are 18 parties. There are already two candidates who apparently have significant support. As the political campaign moves on, however, support for these candidates might decrease. It is unpredictable at this time. Either a major alliance will be struck or other political forces, not precisely the new ones, will win.

[Blades] And no one has thought of working out an alliance with the Panamanians and the civilian society? That is the most effective alliance—an alliance with the nation, above any political parties. If we go it alone, we are not actually alone; we will be supported by the Panamanians.

[Noli] But other parties also have a significant number of Panamanians.

[Blades] A large number of Panamanians do not trust any of the current candidates. We are hoping our platform will help convince many of those Panamanians. I reiterate for the sake of respect and strategy: We are not revealing what we will do yet because it is not necessary. We are currently discussing and listening to recommendations.

Incidentally, when political parties form alliances in Panama, they mean they are putting their people together and sharing the spoils. That is how they divide the country. I do not condone such behavior, nor does the MPE. I do not think the objective—and I reiterate—of creating the MPE was to make me a figurehead, a Mardi Gras queen, to the Presidency. Our objective is to trigger a debate based on ideas, and the party with the best idea will win.

[Noli] Next caller, please.

[Caller] Good morning. Mr. Blades, as a Panamanian, what would your priority be if you became president?

[Blades] I would seek the creation of a national awareness to formulate proposals and solutions. I believe it could be done directly through the example of an honest, intelligent, and determined government. Our first move would be to implement the results of consultations with the people. I think things can be changed in Panama by setting a good example. I am entirely convinced that an example of honesty at the administrative level would lead to trust and honesty at the national level. That is my view. I agree with Eusebio A. Morales' argument in 1918 and 1928 that we must create a true national awareness to formulate proposals and solutions.

[Noli] I would like to return briefly to the alliance issue, if I may. I believe an alliance should be based on points of agreement and government plans; it should be formed to govern, because this country will be ungovernable if we continue this way. Nevertheless, the Panamanian people must support someone, and the other parties are demanding...

[Blades, interrupting] They are Panamanians, too.

[Noli] They too are Panamanians, and they demand their quota of support. With your drawing power, which seems similar to that of another candidate and which could lose a little strength, what do you propose? With whom will you form an alliance so at any given time, standing at the helm of a ship that must reach shore, you will be able to guide us to a safe port?

[Blades] I believe, I insist, that the final decision will be made by the Panamanian people, regardless of the alliances that are formed. This is what worries me: There are new parties which, obviously, are the parties we are talking with. Within these new parties, however, there are old ideas and interests. We must be very careful about that, because the MPE will fall if we make a single mistake. We will be likened to all the other parties right away. They are already trying to do it on a personal level with ad hominem attacks: This guy is this or that, he is arrogant, prepotent, he has not been living in Panama, and so forth.

[Noli] The little star.

[Blades] The little star, he thinks he is God's gift, and so forth. That's all right. Those arguments are directed at me, and that's how it is. But we cannot allow any harm to come to a proposal resulting from a national consultation that includes all of our national interests.

[Noli] You are not the only person who has a proposal. Solidarity, for example, has a very good proposal. I found it very interesting.

[Blades] We are studying, reading, and adding to our proposal, and I would like to add the following: The proposal we are going to disclose to the public can be adopted by others. Moreover, the political jargon is already developing such words as women and such terms as the government of the best. We have proposed that the Indian congress present their own candidates. We also support the revocation of mandates, and certain agreements have been reached.

[Noli] Let's give a break to our viewers who are kindly helping me carry out this program.

[Caller] Mr. Blades, please tell me what you would do if you win the elections but do not have the assembly's support.

[Noli] Thank you.

[Blades] Thank you very much. Very little. Very little. It would be virtually impossible to govern. That is why, obviously, we are considering another proposal. Because we are a basically poor [limpio] party, we have very meager funds. Therefore, our proposal is unpretentious, because we are poor. We have very little funds, and though we may receive funds, I do not know from where.

[Noli] Someone said this marvelous little star would come to Panama and someone else would pay the bill.

[Blades] Of course. [words indistinct] We are proposing a consultation with the community in which we will ask the community: What do you think of the political representatives you have had—your representatives, legislators, corregimiento representatives, and mayors? If the citizens say they have done a good job, we will support that person so he will remain with the government, whether he is a member of the Arnulfist Party, Democratic Revolutionary Party, Christian Democratic Party, Molirena [Nationalist Liberal Republican Movement], or any party.

People might say that is crazy—filling the assembly with people from other parties. You said something to that effect at the beginning of this interview, and I say this: We are going to summon the assembly and decide once and for all if elected posts are for service to the country or to the party. With a strong president—a person who will dare to summon the assembly, a person who has popular support—the Assembly will function free of political corruption. This has not happened because, unfortunately, we have not had strong or consistent leadership for a thousand reasons I will not discuss here. Nevertheless, I do believe it is possible. If we attain the presidency with the nation's support, showing selflessness, intelligence, and a desire for a nationwide discussion, the people themselves will determine who politicians work for—whether for their party or the country.

[Noli] The vote is fundamentally based on support. You need this support to get where you want to go.

[Blades] That is correct, but, unfortunately, I do not believe it is right. In other words, what you are saying is true, but I am here to attempt to change behavior.

[Noli] I will not make you the most popular kid [preceding word in English] in the neighborhood.

[Blades] No, nor will the problem be resolved within four years. The process is only beginning. Some wonder if the MPE is going to disappear. It would have disappeared if I had declined the presidential nomination. The movement did not emerge, however, for electoral purposes like certain political parties and newspapers that emerge during the electoral campaign. After 9 May a lot of parties will disappear.

[Noli] To what extent will your private life be disrupted?

[Blades] It has already been interrupted. Right now I am unemployed. [Noli laughs] I am on the long list of unemployed Panamanians. Taking advantage of this topic, it is completely absurd to suggest that if I am elected president I will go on a musical tour or go away to make a movie. Please.

[Noli] That would be very colorful, would it not?

[Blades] It would be a disaster. You cannot leave your post.

[Noli] Ten seconds for a positive closing thought.

[Blades] I am doing this with goodwill. I know I will make mistakes, and I am apologizing beforehand. However, do not confuse self-assurance with arrogance. Do not confuse pride with...

[Noli, interrupting] Determination.

[Blades] Determination. Please.

[Noli] Thank you.

[Blades] My pleasure.

[Noli] Thanks, viewers, and good evening.

Papa Egoro Has Lost Thousands of Members

PA1012230393 Panama City EL PANAMA AMERICA in Spanish 9 Dec 93 p 3A

[Report by Carlos Anel Cordero]

[Text] The Papa Egoro Movement [MPE] has lost over 10,000 members during the past nine months, according to the latest report released by the Electoral Tribunal.

In February 1993, according to official figures, the MPE had over 25,000 members, but the latest report released in November reveals that the party has something over 16,000 members. The electoral law establishes that a political party must have 20,000 registered members to be legally recognized. Nevertheless, this party obtained its membership within the deadline established by the law and will not lose its status unless it fails to achieve the number of votes required by the Electoral Code in the upcoming May 1994 elections.

According to a poll conducted by CID/Gallup for EL PANAMA AMERICA, the MPE remains the electorate's second leading choice with 16 percent of the vote. The MPE's loss of members followed the periodic purging of the registered parties' membership by the Electoral Tribunal and it includes resignations, eliminations due to double registration, deaths, and other factors.

According to the same document, the Democratic Revolutionary Party (PRD) with 152,376 members remains the largest of the 18 legally registered parties, while the Arnulfist Party with 104,447 is in second place.

Like the MPE, all the legally acknowledged parties have lost some of their membership.

Argentina

Brazilian Purchase of Canadian Wheat Angers Argentina

PY1112233293 Buenos Aires BUENOS AIRES HERALD in English 10 Dec 93 p 6

[Text] (DYN)—The Argentine Foreign Ministry is to lodge a formal complaint with the Canadian Government over the sale of 1.4 million tons of subsidized wheat to Brazil, one of the main markets for Argentine wheat, reliable sources at the Agriculture Ministry said yesterday [9 December].

The information was confirmed in Ottawa, Canada, by the Washington-based Argentine farming representative Eugenio Diaz Bonilla who also confirmed that "Canadian farmers have subsidized transport and there is a lack of transparency in the pricing policy applied by the Canadian Wheat Board."

In turn, Agriculture Secretary Felipe Sola said that his stance is "to reject any form of disloyal trading practices, which restrict access to markets" and "any form of protectionism that affects trading relations with the main importers of Argentine products."

Agriculture Secretariat officials pointed out that they had received complaints from the private business sector that Brazil had bought this tonnage of wheat, in successive lots, from Canada which then gave rise to an investigation by the Argentine authorities.

The amount of wheat purchased represents 38 percent of Brazil's requirements, with Brazil's wheat harvest this year having hit an all-time low of two to 2.2 million tons, while its annual consumption is estimated at seven million tons, according to the Agriculture Secretariat.

The shipments, which will take place between January and October next year, are being priced at an average FOB price of $107 per ton while the futures value of Argentine and American wheat when the shipments are scheduled to take place fluctuate around $122 and $145 per ton respectively.

The source went on to say that "this price difference shows that the Canadian wheat is being subsidized to the tune of $18 to $20 a ton and as much again by a transport subsidy."

Brazilian authorities say that they are investigating the Argentine allegations so as to apply import tariffs if necessary, to compensate for the subsidies.

Meanwhile, the Canadian Wheat Board Commissioner Richard Klassen said in Ottawa that his country "will continue to try and keep Brazil as one of our grain markets" in spite of Argentina's accusations. As to the formal complaint being lodged by Argentina, Klassen said that "I don't think the Argentines have any reason to complain about Brazil's wish to buy a better product."

Mercosur Issues Discussed With Brazil

PY1112233993 Buenos Aires BUENOS AIRES HERALD in English 11 Dec 93 3 p

[Text] (NA-DYN)—Economy and foreign ministers from Argentina and Brazil held a two-hour meeting yesterday [10 December] in Sao Paulo to discuss bilateral and other issues to do with the Mercosur [Common Market of the south] southern-cone common market.

On the Argentine side of the table were Economy Minister Domingo Cavallo, Foreign Minister Guido Di Tella, Economy Vice-Minister Carlos Sanchez and American Integration Undersecretary Jorge Herrera Vegas.

The Brazilian team was formed by Brazilian Economy Minister Fernando Henrique Cardoso and Foreign Minister Celso Amorim.

At the end of the first part of the meeting Di Tella said that "bilateral issues were discussed" although he gave no further details. The ministers were attempting to reach an agreement on the common external tariff that the Mercosur should adopt.

A tariff for 85 percent of the products on the Brussels nomenclature has been agreed upon, but the remaining 15 percent, covering automated machinery and information technology products, are still under discussion.

Argentina advocates a zero to five percent tariff for these products while Brazil is trying to push for a 20 percent tariff, in an attempt to protect its local industries.

In a joint press conference after the meeting Cavallo and Cardoso said that "there still isn't any agreement on the common external tariff although the talks have become freer." Cavallo also gave his public backing to the fiscal adjustment programme recently announced by Cardoso and said that "if the Brazilian congress backs the packet of measures then Brazil will experience immediate growth and will manage a substantial reduction in its 1994 deficit."

Both Di Tella and Cavallo also struck back at reports that appeared in the local Brazilian daily FOLHA DE SAO PAULO which had reported that Argentina was more interested in joining the NAFTA North American Free trade Agreement.

"Our relationship with Brazil is a main point of Argentine foreign policy," Di Tella said.

Navy Court Reprimands Officer for Document Disclosure

PY1112145593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1940 GMT 10 Dec 93

[Text] Buenos Aires, 10 Dec (NA)—Defense Minister Oscar Camilion has reported that the Navy Court has absolved Navy Chief of Staff Enrique Molina Pico and issued a "serious reprimand" to former Navy Staff

Director Jose Roberto Fernandez for having disclosed the contents of an internal Navy document.

Defense Minister Camilion reported that the Ethics Court presided over by Admiral Ramon Arosa, retired, decided to absolve Molina Pico from any involvement in the case. Fernandez issued a document entitled "Naval Strategic Concept" on the military situation in the region during a news conference held at the Libertad building on 22 October.

In view of this, Deputy Miguel Angel Toma, chairman of the Chamber of Deputies Defense Committee, requested sanctions for those responsible. Moreover, Camilion asserted that Fernandez has appealed the Naval Court's decision, and that the Navy high command has not issued any comments in this regard.

At the time, Molina Pico had punished Fernandez with 30 days of arrest, which he served at the Naval Arsenal Battalion located in Azul.

Bolivia

Government Reportedly Distorts Facts on Cuba Incident

PY1112222993 La Paz Television Nacional Network in Spanish 0100 GMT 11 Dec 93

[Text] News about a real delicate issue involving a national congressman and a former official of the Jaime Paz Zamora administration was learned on 10 December.

The news is related to an accusation against the two men about their involvement in a traffic accident in Cuba and their reaction to the accusation.

[Begin recording] [Deputy Luiz Vasquez] There is definitely no extradition request from the Cuban Government against me or against the former Interior Ministry under secretary. Second, the information given in the news conference held on 10 December by the communications minister has absolutely no source that can be attributed to the Cuban Embassy in this case.

[Unidentified reporter] According to Luis Vasquez, the facts are the following: Marco Antonio Oviedo was driving a car on a highway in Cuba and they had not taken a single of drop of alcoholic beverage. Suddenly there was an accident; they ran into a motorcycle and the man died. According to this version, Marco Antonio Oviedo helped the victim but he could not do anything. They called the police and everything was clarified but the process continued; the process did not end. Marco Antonio Oviedo said he was unable to return to Cuba due to his busy work activities.

[Oviedo] As proof of this let me say that I am now coming from the Cuban Embassy, and neither the Cuban Embassy nor the Cuban Government has sent any documents to the Republic of Bolivia. This is an initiative by the government of President Gonzalo Sanchez de Lozada, who through this means is exerting pressure as a result of certain political events taking place in the country.

[Reporter] Edil Sandoval Moron, MNR [Nationalist Revolutionary Movement] member and Constitutional Committee president, expressed solidarity with Luis Vasquez, who is a committee member. Therefore, the trial by the committee against two Supreme Court members will not continue unless this case lasts too long, because the trial must go on.

[Sandoval, in progress] ....if this case lasts more time than is rational, the committee will deliver the report recommendations about the trial without the participation of one of its most important members.

[Reporter] In any case, there are contradictions in what the social communications minister said on 10 December and what Luis Vasquez and Marco Oviedo said today. [end recording]

We are under the impression that too many elements have been mixed in this case. It is obvious—a coincidence that does not seem like a coincidence—that the government used this information involving two MIR [Movement of the Revolutionary Left] members exactly when the MIR used its voting rights—I am referring to the votes that elected Monica de Palenque as mayor of La Paz.

Regarding the extradition, it was confirmed that there is no extradition request against Oviedo or Vasquez. This is the situation, but it is clear that this process is not over and that Oviedo did not appear when he had to in this case involving an accident. But like in any accident, a judicial investigation must be carried out and a sentence of either guilt or innocence must be given. This is still pending, and we hope the result of this case will be known after the trip to Cuba that was announced by Vasquez and Oviedo to clarify this event.

And there is a third element: We do not understand why the Chamber of Deputies Constitutional Committee links this personal situation involving Deputy Vasquez with the suspension of a report essential and urgent for the country in relation to the trial of two Supreme Court members. An expression of solidarity is fine, but the suspension is uncomprehensible to us.

It is one thing to express solidarity with a colleague and a totally different thing to interrupt a process that is extremely important for the country.

Brazil

Ambassador Views Ties With United States

PY1112193593 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Dec 93 Section 1 p 14

[Interview with Paulo Tarso Flecha de Lima, Brazilian ambassador to the United States, by Carlos Eduardo Lins da Silva in Washington on 6 December]

[Text] [Lins da Silva] Last week, THE NEW YORK TIMES published a report stating that in view of President Itamar Franco's disinterest on foreign policy matters, Brazil is today implementing 26 different foreign policies conducted by the governors. What are your comments in this regard?

[Flecha de Lima] I sent a letter to THE NEW YORK TIMES editor asking him for a correction but it has yet to be published. I believe this is an oversimplification. The argument to justify this position is the numerous comings and goings of Brazilian state governors through Washington. I believe it is fitting for governors to come here to defend the interests of their states. However, it is the Federal Government that is in charge of coordinating all the loans. As for President Franco's alleged disinterest in foreign policy matters, I disagree with this opinion. The president has vast experience on foreign policy matters from his days in the vice presidency and the Senate. Very few people know that he played an important role in the approval of the International Coffee Agreement. He recently had what was considered an excellent performance as the host of the summit of Ibero-American chiefs of state. But for the time being, he has domestic priorities that impair his performance in the foreign policy area.

[Lins da Silva] But everyone is aware that U.S. Government officials in Washington view President Franco with some reservations in view of his rhetoric during his Senate days, which were described as a Third World attitude. What is the president's policy regarding the United States?

[Flecha de Lima] I believe this comment is unfair because his instructions to me regarding my mission in the United States is to exploit to the maximum those issues on which the two countries agree, but always safeguarding national interests. We have more similar points of view than meets the eye.

[Lins da Silva] What are the main pending issues in U.S.-Brazilian ties?

[Flecha de Lima] We have a very complex agenda ranging from international issues, such as human rights, environment, and drugs, to consular, commercial, political, scientific, and technological issues.

[Lins da Silva] Isn't the major pending issue in Brazilian-U.S. ties the intellectual property issue? Last week the U.S. Government postponed for three months the investigations it is conducting before deciding on whether or not to impose commercial sanctions on Brazil. How do you think this problem will evolve until February?

[Flecha de Lima] The issue is now in the hands of Congress, which has evidenced a capability to understand Brazil's interests. At this time, it would be inappropriate for me to discuss or comment on what Congress will do. But based on my experience, I know that Congress will act in keeping with national interests. I believe that to describe this as the most important issue in Brazilian-U.S. ties is a bit of an exaggeration. I would describe it as a difficult issue but certainly not as the most important issue in U.S.-Brazilian ties.

[Lins da Silva] What is the most important issue?

[Flecha de Lima] The major task that lies ahead of us is to rebuild political support inside the United States. We have to remind our U.S. interlocutors of Brazil's acceptance at the international level and about Brazil's relevance within the Latin American context as a reliable partner that has always honored its commitments.

[Lins da Silva] Will you try to restore Brazil's previous image, when the United States viewed Brazil as the undisputable leader in Latin America as opposed to the current situation in which U.S. officials are constantly citing Mexico, Argentina, and Chile as examples in Latin America?

[Flecha de Lima] I am not trying to compete with anyone. Brazil has a value of its own. This is not the situation. You cannot think of Latin America without thinking of Brazil. Brazil is responsible for 40 percent of the economy in the region. I do not want to be tempted into emulating other countries. What we have to do is establish a political support network inside the United States to restore Brazil's relevance.

[Lins da Silva] Among the most recent difficulties in Brazilian-U.S. ties are those in the military area. Are you planning to touch on this subject?

[Flecha de Lima] Yes, and I even have a meeting scheduled with Defense Secretary Les Aspin. Brazil and the United States share a long tradition of cooperation among their Armed Forces but today there are important conceptual differences in this area impairing a more fluent dialogue. There are important U.S. groups that believe that Latin American armed forces should be in charge of domestic issues such as antidrug combat and public safety. Moreover, U.S. maneuvers near our borders cause apprehension in Brazil. We already have received satisfactory explanations, but it is always better to discuss the issue to avoid problems.

[Lins da Silva] Secretary of State Warren Christopher played a preponderant role in the 70's in his capacity as under secretary of state when U.S.-Brazilian ties were experiencing a difficult period. Do you believe Christopher poses an additional difficulty to resolving U.S.-Brazilian problems?

[Flecha de Lima] I believe people influence international relations depending on their capacity to express themselves. In the case of Secretary of State Christopher, he was the first envoy of the Carter administration to convey to Brazil his administration's position regarding human rights and the nonproliferation of nuclear weapons. At the time, President Geisel reacted by suspending the military agreement with the United States. But I do not see how incidents that occurred almost 20 years ago can undermine our current ties. Brazil's human rights position is today extremely cooperative. As for the nonproliferation issue, Brazil has given signs of upholding its Constitution by not engaging in nuclear arms activities.

[Lins da Silva] Does NAFTA harm Brazil?

[Flecha de Lima] I believe Brazil is a global trader [preceding two words in English]. It has commercial ties with the entire world. Our first priority is to achieve a satisfactory conclusion of the Uruguay Round. Our situation is quite different from that of Mexico and Canada, which have the United Sates as the most important market for their exports. NAFTA should be an issue of concern if it becomes a protectionist market. We hope it will not.

President Agrees To Increase Military Budget Allocation

PY1012115893 Rio de Janeiro O GLOBO in Portuguese 9 Dec 93 p 28

[Text] Brasilia—President Itamar Franco has ordered Planning Minister Alexis Stepanenko to grant the military ministers' demands for increased budget allocations. Stepanenko told O GLOBO that only the military ministries will have this benefit. He said the concession will entail more drastic cuts in other ministries, as the $21.9 billion reduction provided for in the 1994 budget will not be modified, so as to avoid harming the implementation of the stabilization plan.

The minister said: "We will surely grant the military demands. To this end the Federal Budget Secretariat is studying where to enforce the cuts. We will not risk the economic plan."

Stepanenko added that the budget proposal will be submitted to Congress tomorrow, and that it will include the modifications. The minister declined to report the figures or the ministries that will be affected by the cuts. He also replied to public demands by the ministers who are dissatisfied with the cuts that their administrations have had to suffer, such as Transport Minister Alberto Goldman.

"I don't have to justify to any minister why the military allocation has been increased, or why the available resources have been reduced. Whoever wants to should complain to the president. He made the decision. As far as I know the transport minister has not talked with the president," the minister said.

Stepanenko said that the military ministers talked with the president on 6 December. Franco asked Stepanenko to meet the military ministers on Tuesday, 7 December. Of the five ministers who met with Stepanenko (the Navy, Army, and Aeronautics ministers, the Armed Forces chief of staff, and the chief of the Military Household), only Navy Minister Ivan Serpa talked to reporters to say that he did not agree to the cuts. Yesterday Franco decided to change the government's proposal, to the benefit of the military:

"The president is a polite man. He asked me to meet with the military ministers, and I did so on Tuesday. The following day the president said that the allocations to the presidency were at the disposal of the military ministers. The message was clear. I will act according to the president's decision," he said.

Military Ministers Achieve $300-Million Budget Increase

PY1012132193 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 10 Dec 93

[Text] The military ministers have achieved an increase of $300 million in the national Federal Government budget. These ministries have asked President Itamar Franco for more resources for expenditures and investments in their organizations, and their demands were met.

Increases in resources were also granted to the Planning and Foreign Ministries, which together obtained $59 million more. With these changes, sending the proposed budget to the national Congress has once again been postponed. It will thus not be submitted until 13 December.

Franco's Campaign Fund Issue Viewed

PY1012213893 Sao Paulo VEJA in Portuguese 8 Dec 93 pp 30-35

[Excerpt] Paulo Cesar [PC] Farias is synonymous with noise. Discovered in Bangkok, Thailand, five months after escaping from Maceio, PC Farias returned to Brazil making noise. Sitting in seat 11L of the executive class aboard the Varig [Rio Grande do Sul Airline] Boeing that brought him back to Brazil, the [former president] Collor campaign chief was very talkative. "I have nothing against Itamar Franco," PC Farias told Flavia Sekles of VEJA during the 22-hour flight, "but people must understand that campaigns cannot be launched on thin air. I was the treasurer and I moved a lot of money for Franco's campaign in Minas Gerais. There is nothing illegal about that." Asked if there was a check for $700,000 for Itamar Franco or for some direct adviser of the then candidate for vice president, PC Farias said: "I do not remember. I am not sure."

PC Farias' remarks aboard the plane, although vague and inconclusive, have prompted Planalto Palace to respond. After all, it was the second time in the week that the issue reached the president's office. The first time, on Wednesday 1 December, Senator Jose Bisol directly asked the president if he received checks from PC Farias during the 1989 campaign.

The presidency's official note has seven lines. It was written during a meeting attended by journalist Francisco Baker, the Planalto Palace spokesman, and government Senate leader Pedro Simon who happened to be at the palace. "I was not the campaign treasurer, either at regional or national level," Franco's note says, "therefore, I cannot confirm how much would have been sent for the presidential campaign in Minas Gerais or any other state." Since the presidential note was as vague and inconclusive as the remarks by PC Farias aboard the plane, it lends itself to several interpretations, generally negative for the president.

Deputy Benito Gama said: "This note says many things. It says that the president admits he received campaign money, but does not know how much. Gama, from the PFL [Liberal Front Party] Bahia State, headed the CPI [Congressional Investigating Committee] that investigated PC Farias. He is now a member of the Budget Commission. Deputy Roberto Jefferson said: "Itamar Franco's response does not surprise me." Jefferson was one of the stars of Collor's shock troop during the impeachment. "The president reacted like a child caught doing something wrong. The first reaction is to deny. He may not know the amount of money sent for the campaign, but of course he knows where it came from."

Political circles have been speculating for months about the existence of a financial bridge linking Itamar Franco to PC Farias. The money, according to the interlocutor, in one or three phantom checks totaling $700,000, would have been given to Geraldo Farias, one of Itamar Franco's advisers in Minas Gerais who today is the human resources director of the Bank of Brazil. The source of this rumor is PC Farias. Before leaving the country, he told several interlocutors that Franco was always complaining over the lack of resources for the campaign in Minas Gerais. According to PC Farias what said then, the candidate for vice president was very demanding over transport: he made a point of traveling aboard a little Lear jet 55, the same as the one used by Collor, and he was not happy with smaller models. In sum, he said he released checks worth several hundreds thousands dollars for Franco's expenditures. A collector of campaign funds, subordinate to PC Farias, said he sent checks worth $200,000 to Geraldo Farias. These checks were reportedly made out by phantom Alberto Alves Miranda on an account at the BMC [Mercantile Credit Bank] to the account of Geraldo Farias in the Bank of Brazil. The checks, however, did not show up.

With the explosion of the budget scandal and the paralysis of the government, the story of PC Farias' checks became the subject of conversations among most Brazilians. There was fear that someone holding one of those hypothetical checks could use it to blackmail Itamar Franco, forcing a resignation in exchange of preserving his image. Upon Franco's resignation, Chamber of Deputies President Inocencio Oliveira would be called to assume the Planalto Palace for 30 days, during which the president who would complete the term inherited from Collor by Itamar Franco would be elected through the direct vote. This means that Congress, which was wracked by suspicions of corruption, would have to choose a president within an explosive framework of political deterioration. It would be institutionally difficult to find anyone without any defect.

On Wednesday, during a fit of concern about the seizure of documents by the Federal Police at the house of a director of the Odebrecht company, Senator Jose Bisol took the subject to Itamar Franco. During one of his visits to the palace, in the company of government Senate leader Pedro Simon, Bisol tried to explain the issue. According to one of those present, the conversations went like this:

Bisol tells Itamar Franco: There are rumors about the existence of a check from PC Farias for you, and that scares the military.

The president answers: Never. There is no such check.

No, I have no check, said Itamar Franco. Senator Pedro Simon told VEJA: "No checks were issued for Itamar Franco. And for Geraldo Farias? "Well, Geraldo Farias was one of the most important men in the Minas Gerais campaign. I don't know." Presidential Spokesman Francisco Baker has also asserted: "There were no checks issued for the president by PC or by phantoms. The Minas Gerais campaign committee had its own structure that was independent from candidate Itamar Franco." In view of this, there could not have been any direct contact between the money PC sent to the Minas Gerais campaign and the vice presidential candidate. But this is not what former President Fernando Collor says. Contacted by VEJA this past Saturday before dawn, Collor gave the following version:

Deputy Helio Costa played a decisive role in the nomination of Itamar Franco on my presidential ticket. As it was not possible to achieve an agreement with Marcia Kutischeck or with Helio Garcia, who were my preferred choices from Minas Gerais, Helio Costa suggested I talked to Mr. Itamar Franco. The meeting was held at the Alagoas State House in Brasilia but no agreement was reached. We held a second meeting and I invited him to run as my vice president. It was made clear that Helio Costa would be the campaign manager in Minas Gerais. A short while later, the vice presidential candidate contacted me and told me that more politicians should join the presidential campaign in Minas Gerais and suggested that Deputy Governor Junia Marise should be appointed campaign manager. I found this odd because Helio Costa, a very correct man, was carrying out his duties very well. I told him he should discuss the issue with Helio Costa. Franco called me back stating that he had settled everything with Helio Costa. Sometime later, Franco phoned me again and told me that Junia Marise was dissatisfied with her work and that she should cease to be campaign manager. I argued that this would be very confusing because the campaign manager would thus be changed twice. The vice presidential candidate insisted on being his own campaign manager. The campaign manager handles both political and financial aspects. It was up to the campaign manager to arrange political agreements and obtain support. He was thus in charge of receiving campaign funds and of distributing them.

Collor paused and then got to the heart of his story:

The vice president said that if I authorized him, he would contact Paulo Cesar Farias to resolve the issue. I told him he was as much responsible for the campaign as I and that he should do what he thought best. Sometime later, he phoned me and told me that he had arranged everything with PC. The vice presidential candidate thus became the campaign manager in Minas Gerais. I know that expenses in Minas Gerais doubled after this. We spent more money in Minas Gerais than in any other state. I cannot give any figures because I was not in charge of that, but in addition to the vice president's demands to fly only in expensive mini-jets, it was common knowledge that the Minas Gerais campaign was very expensive. It was run by the vice president and his closest friends: Geraldo Farias; Eliseu Resende, who was later appointed to the cabinet; Marcello Siqueira, the vice president's former partner in a construction company and who is currently the chairman of FURNAS [Furnas Electric Power Plants, Inc.]; and a secretary married to a retired officer. I was under the impression that the vice president was an unselfish and modest man. I was not aware of his interest in these matters.

These are two antagonistic and inconsistent versions. On the one hand, Franco guarantees he did not know anything about the campaign money. On the other, Collor tells how Franco fought for access to this money. The former president suggested a way to resolve the situation: "He was elected vice president by the same structure that elected me to Government House. He is a sub-product of that structure. He must explain and take the initiative to clarify this situation. I find it horrendous that as the developments of the CPI [Congressional Investigating Committee] on the budget corruption scandal develops, ten names of politicians are smeared every week without knowing who are innocent or guilty. The only solution is to conduct a full investigation and break up the bank secrecy surrounding these politicians and their friends who are under suspicion. [passage omitted]

PT Leader, Governor Brizola Critical of Economic Program

PY1012151593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Dec 93 p B4

[Article by Antonio Marcello and Nelson Soares]

[Text] PT [Workers Party] President Luiz Inacio Lula da Silva said yesterday in Brasilia that the fiscal adjustment proposal included in the FHC2 [Fernando Henrique Cardoso-2] program falls short of what his party deems necessary. He noted: "We are willing to discuss the finance minister's proposals."

The PT president emphasized that he disagrees with two points in the FHC2 program: "the tax increase, and the blocking of transfers to states and municipalities, without mentioning where these funds will be used." Lula again criticized Cardoso for presenting the program without first seeking a broad consensus with the political parties. Lula said: "Now every party is fully entitled to present different proposals." He criticized the idea that the public deficit is the big problem. Lula noted: "In Italy, there is a huge deficit, but the inflation rate barely totals 6 percent per annum." In the PT president's opinion, the rollover of debt is the biggest problem. He said: "We must cope with the issue of the financial system." Lula added: "Bankers must understand that they cannot reap 13 percent of the gross domestic product." Lula proposed that discussions be held with the financial system in order to quickly achieve a flattening of the debt.

Governor Leonel Brizola said yesterday in Rio de Janeiro that the FHC2 program has not been defined, with the exception of a 5-percent tax increase. According to Brizola, the program punishes the people, and is recessive because it cuts back funds from states and municipalities. Brizola said: "Workers will wind up losing, and we require more work and less inflation."

Brizola said he has still not defined the stance that the PDT [Democratic Labor Party] bloc will take. He noted: "We will cooperate, if possible, but we are still cautious." He said that at first sight he is against increasing taxes, as this increase is not selective. He said that the program would be supported by the PDT if the properties of wealthy people are taxed, or the wealthy people's IR [income tax] is increased. Brizola anticipated difficulties for the program's approval in Congress due to the cutbacks.

Brizola again lashed out at the Federal Government's privatization program, which in his opinion is auctioning off the federal patrimony "without discrimination."

Brizola also announced his intention to privatize the Brazilian Electrical Welding Company [Empresa Brasileira de Solda Eletrica] (EBSE), which was transferred to the Rio de Janeiro State Bank (Banerj) due to unpaid debt.

Lower House Approves Reinstatement of Public Servants

PY1012143393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Dec 93 p 1

[Text] Finance Minister Fernando Henrique Cardoso will go to Congress today to explain his economic stabilization program to the party leaderships. The Chamber of Deputies yesterday raised an obstacle against his proposals: the reinstatement of public servants removed at the beginning of the Collor administration was approved. The reinstatement would cost the public coffers about $2 billion. Cardoso will make an attempt to convince President Itamar Franco to veto the proposal, which was raised by Roberto Freire, the government leader in the Chamber of Deputies. Culture Minister Jeronimo Moscardo has tendered his resignation.

* Government To Assume Embraer's Debts

[Unattributed article: "Flying Blind"]

94SM0119B Sao Paulo VEJA in Portuguese 24 Nov 93 p 113

[Text] A rescue operation sponsored by the government will touch down at Embraer [Brazilian Aeronautics Company], Brazil's state aircraft manufacturer. The goal is to stabilize it somewhat for its flight into privatization, likely to occur next year. Embraer's situation is alarming. It has accumulated $903 million in debts to banks and its net worth is negative; i.e., the company could sell everything it owns—facilities, machinery, and inventory—and still come up short by $100 million. The government decided that privatization is the solution. After an overhaul, Embraer would have a chance of attracting a buyer. The company has valuable aircraft service contracts that were sold to foreign buyers, and some good plans that were shelved for lack of capital.

A field hospital has been set up. Of the $903 million in debts, $445 million is owed to the Bank of Brazil in connection with a 1991 loan. As guarantor, the Treasury will assume part of that debt, $172 million, receiving Embraer stock in exchange. This assistance will be supplemented with equipment from the Air Force that had been lent to the Embraer factory in Sao Jose dos Campos, in the interior of Sao Paulo State. The Air Force will transfer ownership of the equipment for $18 million, in exchange for company stock. When privatization is about to occur, the Treasury could then conclude a new transaction, in which it would assume the remainder of the firm's debt to Bank of Brazil. "The company will resume normal operations and seek new orders," said Manoel de Oliveira, director of Embraer.

Stock

This is a plan for flying blind. Embraer's sales plummeted because of the worldwide recession in the aircraft market. Its 5,000 employees are building one-and-a-half Brasilia model planes per month, whereas they once built five. The Tucano, a military trainer, hopes to win a competition in the United States in 1994 so that it can start rolling off the assembly line again. Embraer also hopes the Ministry of Aeronautics will obtain a $210 million loan from the Italian government. It would use this money to resume performance of its obligations under the Italian-Brazilian consortium that, when it was set up in 1980, had planned to sell 600 AMX military planes on the world market. So far, 125 have been produced. The Italians no longer have any illusions that the AMX will be a commercial success. They are insisting only that Embraer make the parts needed for the few dozen additional planes already on order.

* Status of CPI Probe in Late November Surveyed

94SM0119A Sao Paulo VEJA in Portuguese 24 Nov 93 pp 44-47

[Text] Jose Carlos Alves dos Santos was the fuse. When he exposed the operations of the corruption scheme based in the Congress's Budget Committee, he set the national political scene on fire. He had a lot to say, recounted details. But mystery still surrounds the pivot of the story. His wife, Ana Elizabeth, disappeared a year ago. It is not known whether she died, was murdered, or, as Inspector Eduardo "Clouseau" Suplicy speculates, is living in the United States. There are also indications that Jose Carlos was getting money directly from construction contractors. All this intrigue got him involved in seven different investigations: two for use of counterfeit currency, one for drug trafficking, one for pandering, one for murder and concealment of the body, another for fraud, and a final one for graft.

Jose Carlos will probably not be indicted except as a result of the corruption investigation, in which he has already admitted guilt. There is not enough evidence to support an indictment on the other accusations. There is no proof that the airplane in which traces of cocaine were found was his, Ana Elizabeth's body has not yet been found, and possession of counterfeit money is not a crime. He could serve from three to eight years in jail for corruption. As ameliorating circumstances he can cite: good behavior, willingness to assist the courts, and possibly, return of stolen funds. Together, these might reduce his sentence by three months. By the end of this week, Judge Pedro Paulo Castelo Branco could decide to open the prison doors for Jose Carlos, since he was detained on the charge of possession of counterfeit money, which does not justify such a long stay in prison.

On the Slow Track Toward Decapitation

In all its history, the National Congress has expelled only two deputies, both for conduct unbecoming a congressman. Barreto Pinto posed for the magazine O CRUZEIRO in 1949 wearing only undershorts. In 1991, Jabes Rabelo gave a drug-trafficking brother an official legislature ID card. In less than a month, the CPI [Congressional Investigating Committee] formed as a result of VEJA's interview with Jose Carlos Alves dos Santos and chaired by Senator Jarbas Passarinho, has gathered enough evidence to expel 18 legislators. Seven deputies and a senator are in the first bunch. This high-risk group includes Joao Alves, Ricardo Fiuza, Cid Carvalho, Jose Geraldo Ribeiro, Manoel Moreira, Genebaldo Correia, Fabio Raunheitti, and Senator Ronaldo Aragao. Senator Saldanha Derzi and nine deputies—Ibsen Pinheiro, Jose Carlos Vasconcellos, Sergio Guerra, Flavio Derzi, Messias Gois, Paes Landim, Uldurico Pinto, Pedro Irujo, and Ezio Ferreira—are in a second contingent. The formal evidence against them is not as blatant but, since they cannot seem to explain things, they too are in danger of losing their seats. Some of the men in that group have checking account balances that are inconsistent with their incomes, and others wangled appropriations for "phantom" entities, or organizations to which they had close personal ties.

"The CPI will probably extend its mandate for 15 days beyond the original 45 days. It should finish at the end of December," said Roberto Magalhaes, the CPI rapporteur. The CPI would then forward petitions for expulsion for conduct unbecoming a legislator to the presiding officers of both the Chamber and the Senate, who would approve them or not, thus beginning the proceedings. Last week, party leaders were maneuvering to suspend the accused as soon as the CPI completes its work, while the expulsion proceedings are going on. This would free the constitutional revision process from the "dirty" votes of the Budget Gang. From the desks of the presiding officers of Congress, the cases would be sent to the committees on the Constitution and Justice of both houses. These committees would give the accused up to ten sessions (in the case of the Chamber) or 20 days (Senate) to present a defense. Rapporteurs appointed by the committees would have five sessions in which to present the charges. The petitions for expulsion would be voted on at another, secret, session. The ones that are approved would go to the floors of the Chamber and Senate, which would hold executive sessions, but with open electronic voting, to decide on each case. The results are printed up, sealed, and locked in a vault for five years. It is expected that the full houses would be voting sometime in February or March, depending on the quorum. "It will be essential for the deputies to attend the sessions," said Rio de Janeiro Deputy Miro Teixeira, of the PDT [Democratic Labor Party]. "Actual punishment of the culprits will depend on public opinion. Families need to discuss the subject around the dinner table," Teixeira added. Congressmen who are expelled can neither vote nor run for office for 10 years.

Besides possible expulsion, the accused legislators will have to face the courts. Those who are not expelled will be heard in a specific jurisdiction—the Federal Supreme Court—which can prosecute them only if the Chamber authorizes it. The Federal Police have barely started their inquiry into the case. Among the crimes that may have been committed are classic bribery (a one to eight-year sentence for the contractor who benefitted) and graft (a similar penalty for the deputy or bureaucrat who did favors for the contractor), or tax evasion (someone cannot document the source of their wealth or who simply did not report it). The penalty for tax evasion would be up to two years in jail, plus fines. Mayors, phantom firms and organizations, and deputies who diverted subsidies could be charged with misappropriation of funds, punishable by up to 12 years in prison. The Budget "dwarfs" [so nicknamed because there are seven of them, and they are all short] could get an additional three years for conspiracy. Then there is Law 8429, passed in 1992. It calls for both parties in a corruption case to forfeit assets and be deprived of their political rights for eight to 10 years.

Ministers in the Quagmire

Economist Jose Carlos Alves dos Santos involved three governors, four former ministers, and two ministers in the Budget mafia. Two of the former ministers were from the Sarney administration: Anibal Teixeira, of Planning, and Carlos Chiarelli, of Education. Two were on Collor's team: Margarida Procopio of Social Action, and Ricardo Fiuza, who later held that same portfolio. And two were ensconced in the Itamar Franco cabinet when they were accused: Alexandre Costa of Regional Integration, and Henrique Hargreaves, chief of the Civilian Household. According to the economist, Chiarelli, Margarida, and Anibal Teixeira released funds for entities that legislators specifically listed in the Budget, and received tips in return.

Minister Alexandre Costa and Hargreaves were accused of taking money from Joao Alves in return for helping to keep the scheme going, and Fiuza was accused of being one of its masterminds. Costa made his post available to Itamar, but still haunts the Esplanade of the Ministries and refuses to resign. He will not leave unless he is dismissed, and will go down swinging. A skittish Itamar has put off the wholesale dismissal of his ministers until December, when he plans to carry out a reform. Costa also insists on keeping civil servants in their jobs who are accused of involvement with Joao Alves. Last week, one of them, Celia Maria Abdala Costa, was forced to resign when the CPI found one of Joao Alves's checks in her accounts. Henrique Hargreaves's situation was untenable from the outset, when the CPI discovered that a phantom organization owned by his former staffer Luiz Bandeira had received $3 million in 1992. Hargreaves resigned on 29 October.

In his testimony, Jose Carlos also mentioned Governors Edison Lobao of Maranhao, Joao Alves of Sergipe, and Joaquim Roriz of the Federal District. Nothing explosive has been found yet against the first two, besides the statement that they met with Deputy Joao Alves. They were invited to testify to the CPI. Unless there is evidence to compromise them, they can go out the same way they came in, suffering only a few scratches on their images. For Governor Roriz, however, there is only bad news.

Friend of All Construction Projects

When he confessed that he was crooked and turned in his accomplices, former Senate advisor Jose Carlos dos Santos mentioned four contractors who were bribing legislators to get amendments into the Budget: Andrade Gutierrez, Odebrecht, OAS, and Queiroz Galvao. So far, the CPI has called on the carpet only one builder who was not on that list, Servaz. Odebrecht offered to testify, has not been called. Despite this, the CPI decided it is not going to try to gather evidence against the cement gang. "We are going to concentrate on the legislators," said CPI Rapporteur Roberto Magalhaes.

Magalhaes's concern has a practical origin: he is in a hurry to punish the congressmen. The active side of the bribery deals will be held over for another CPI—preferably to be conducted well away from the TV spotlights. We've seen this movie before. The contractors wiggled out of trouble during the Collor-PC CPI. It is strange. We have seen recent examples of tractors paving the road to the ballot box. Onofre Vaz, of Servaz, confessed to the Federal Police that he gave PC $400,000, and Eduardo Andrade, of Andrade Gutierrez, admitted having paid $5 million to Paubrasil, the company that organized the campaigns for [Sao Paulo] Mayor Paulo Maluf. Andrade Gutierrez does well when Maluf is in office: in 1982, when Maluf was governor, one of the firm's projects was the Highway of the Workers. Today he is building another huge project for the city of Sao Paulo: a tunnel linking the Anchieta and Imigrantes highways.

End of the Line

The corrupt budget jellyfish extends its tentacles into thousands of cities and towns. The money that deputies, contractors, and ministers fight over in Brasilia is intended for city halls and charities all over this country. Some of the appropriations are earmarked for entities that simply do not exist, and the projects never get off the drawing board. The funds end up in the pockets of deputies, friends of deputies, or contractors who are friends of deputies. A reservoir in Serra Dourada, for example, got funds from Deputy Joao Alves but was never completed. The Vivili Foundation, which was supposed to be operating in Teresina, in Piaui, is another classic example of grand larceny.

Piaui Deputy Benedito Sa, of the Popular Party, inserted amendments into the budget that gave $3 million in Ministry of Social Action funds to Vivili in 1992. The money ended up in the hands of its president, Luiz Bandeira, who had worked on Henrique Hargreaves's staff. The sum was supposed to have been spent on education, health, agriculture, and sanitation. The foundation office is in Bandeira's house. Like 50,000 other organizations, it never accounted for the appropriations received. The federal Court of Auditors (TCU) will investigate them. Meanwhile, the mayors who diverted money from construction projects will not be bothered by the CPI. "We would not have time to investigate those details," said Roberto Magalhaes, rapporteur for the committee.

[Vignettes, in boxes along bottoms of pp 44-47]

Got His Mother Involved

PMDB [Brazilian Democratic Movement Party] Deputy Jose Geraldo Ribeiro, 53, engaged in conduct unbecoming a congressman when he accepted $270,000 in subsidies for three organizations that operated out of the offices of one of his own construction companies, Engesolo, and from his mother's house in the interior of Minas Gerais. Known as "Quinzinho" because he charged a 15 percent commission, the deputy is also accused of drafting amendments in the Budget to cover work to be done by Engesolo and by Senge, a firm owned by his brother, Antonio Celso Ribeiro.

Living on Leftovers

Genebaldo Correia, 51, was identified by Jose Carlos dos Santos as "Ibsen's representative on the committee." In his testimony to the CPI last Friday, he contradicted himself several times, almost burst into tears, and used Collor's old argument to explain the origin of the $1.6 million that had been deposited into his account since 1989. "They were surplus campaign funds," he said. He ran for election once in that period, in 1990, but deposits were made in other years. The scandal cost him his position as PMDB leader in the Chamber.

The Dwarf Underneath

Deputy Joao Alves, 74, is the number one figure in the budget scandal. Accused of charging a 20 percent commission on the appropriations released and having favored contractors and phantom organizations, Alves has accumulated spectacular wealth. He told his lottery story, but no one believed him. The CPI discovered that the deputy had moved $35 million in and out of six bank accounts between 1989 and August 1992. The only way he can escape expulsion is to resign. Or, as he promised, to commit suicide if he is proven guilty.

The Conniver

Deputy Ricardo Fiuza, 54, is accused of conniving with the scheme. While serving on the Budget Committee, he supported Joao Alves's dwarfs and allowed amendments to be inserted after the deadline. As minister of social action under Collor, he released $26 million to charitable institutions, without obtaining a technical opinion, and sent $130 million to the state of Pernambuco. He got rid of bureaucrats who were suspected of corruption, but never opened a formal probe into the accusations of theft.

Forgetful Cid

Maranhao Deputy Cid Carvalho, also from the PMDB, spent some unpleasant moments at the CPI. He said he had never received checks from Deputy Joao Alves, but was refuted on the spot: two checks, of $4,500 each, were shown to him. Having come down with amnesia, he said that perhaps they were payments on a debt. El Cid, who heads an organization, Fundeco, that received $56,000 from the ministry of social action last year, was born poor but now, at age 70, has assets valued at $6 million.

Defrauder

Already fined for defrauding the INSS [National Social Security Institute] by having a hospital he owns submit fake invoices, Fabio Raunheitti, 65, made off with $4 million for entities he controls—and that was just in 1992, when he pocketed 60 percent of the total appropriation earmarked for the state of Rio de Janeiro by the Ministry of Social Action. One of Joao Alves's former chauffeurs said that Raunheitti deposited millions into the account of the head dwarf in 1985. The CPI suspects that Raunheitti, who was not a deputy at the time, bribed Joao Alves.

The Millionaire

Quercista dwarf Manoel Moreira, 44, is accused of organizing the scheme by which nonreimbursable grants were made in the form of social subsidies. A former FAB [Brazilian Air Force] sergeant before he became a deputy, he used to live in a rented house. Now, just one of his properties is worth $2.5 million. His ex-wife Marinalva testified before the CPI and accused him of illegal enrichment and taking money from contractors Servaz, FGR, and Lix da Cunha. Manoel Moreira promised an earth-shaking deposition, scheduled for Saturday the 20th.

Working At Home

Senator Ronaldo Aragao, 47, of the PMDB from Rondonia, was chairman of the Budget Committee in 1991. It was then that he was party to a highly questionable accord with the administration to prevent legislators from inserting amendments into the budget. In last year's budget, Aragao sponsored a domestic amendment worth $798,000 for the J.R. Aragao Foundation. Who is its president? Ronaldo Aragao. Where are its offices? In Ronaldo Aragao's house in Porto Velho. [Box p 47]

Unforgettable Dialogues

The Budget CPI has served as the stage on which many of Brazil's rotten politicians have been disrobed. There have been flimsy excuses, eloquent turns of phrase, blunders, bizarre confessions, and ludicrous scenes. Following are some of the best moments in the CPI:

[Passarinho] We are not here to determine the fate of individuals, but the fate of democracy in Brazil.

[Jose Carlos] All the leaders know that what was voted on late at night in the Budget Committee was not the final report. I saw negotiations conducted only in dollars. Only in dollars.

[Ricardo Fiuza] All Jose Carlos dos Santos talked to me about was women.

[Joao Alves] Until I left the Budget Committee, I was really in a tight spot financially. After I left it, God was good to me and I won money.

[Magalhaes] Did you, my distinguished colleague, ever receive any money from Deputy Joao Alves?

[Cid Carvalho] I seem to remember that Deputy Joao Alves came to my house one day and said: "I've come to repay you the money you lent me."

[Magalhaes] You mean, my distinguished colleague, that you admit having received checks from him and paid checks to him?

[Cid Carvalho] No. I admit that he came to my house one day to repay some money I had lent him.

[Jose Dirceu] So you reaffirm that you are not the owner of the Flores e Alegre Ranch, in Januaria?

[Jose Geraldo] I reaffirm everything. I am not familiar with that property.

[Jose Dirceu] But I have a property record here in your name: Jose Geraldo Ribeiro.

[Jose Geraldo] It could be someone else with the same name.

[Magalhaes] Let's ask the deputy to give us his CPF [Taxpayer Identification Number] and see if it matches.

[Jose Geraldo] My CPF is 001438046-34.

[Jose Dirceu] It's the same one that is entered here.

[Jose Geraldo] I would like to see that document. I don't know anything about that ranch.

[Magalhaes] I have a check here in my hand. If you can confirm that this is your signature, then you bought that ranch.

[Jose Geraldo] That's my signature alright. The check is mine. And judging from what it says here, I bought it. But I don't remember that ranch.

[Mario Covas] Did you, my distinguished colleague, receive a check from Deputy Joao Alves?

[Genebaldo Correia] Not as far as I know.

[Mario Covas] Deputy, in these things, one does not say "as far as I know." Did you or did you not, sir, receive a check?

[Genebaldo] But, worthy deputy, how can I say for sure? I do not know when that was....

[Mario Covas] Well I can tell you one thing for sure: I never received a check from Deputy Joao Alves.

[Genebaldo] (silence)

[Mario Covas] Well, let's move along.

Chile

After Late Opening, Ballot Stations Expected To Close Late

PY1112174593 Santiago Radio Cooperativa Network in Spanish 1705 GMT 11 Dec 93

[Text] Interior Ministry Under Secretary Belisario Velasco has issued the third official report which reveals that 99.22 percent of the voting stations have started functioning throughout the country.

Velasco also noted that according to the law currently in force the voting stations must function for nine consecutive hours, and that because most of them were not officially opened until after 0900 this morning, it should be expected that they will close after 1800.

The report also mentions that throughout the country a great quantity of electors began to approach the voting stations as of 1100.

The last detail is that 13 electors were arrested for refusing to act as poll watchers. Six were arrested in Iquique, four in the Metropolitan region, two in Temuco, and one in La Union district.

Interior Minister Says Elections 'Developing Normally'

PY1112134393 Santiago Radio Cooperativa Network in Spanish 1000 GMT 11 Dec 93

[Excerpts] We have been in contact with Interior Minister Enrique Krauss to learn about the details of the presidential and parliamentary elections in Chile.

According to information obtained from various regions of the country, everything is developing normally. [passage omitted]

We are now going to hear a report from Oscar Hernan Guzman. Good day, Oscar.

[Begin live relay] [Guzman] Good morning, Freddy, thank you very much, and we are now going to chat with Minister Krauss. Good day, minister.

[Krauss] Good day, Oscar.

[Guzman] Here we are, working just as you are. In addition to voting, what other activities have you planned for this morning?

[Krauss] The truth is, as is usually the case in the Interior Ministry, it is very hard to plan beforehand. It is hard to draft a very strict schedule. It all depends on the circumstances. If everything develops normally, as seems to be the case, I will vote, for a start. I am waiting for one of my grandchildren, who is going to accompany me, to wake up. After that I might go to the ministry, or probably tour some of the balloting stations. If possible, I would like to be not only in the city of Santiago, but also visit a balloting station in some nearby town and, if possible, go beyond the metropolitan region, because this is in truth a national event that unites us. We would like to be present, as you are, from Arica right down to the Antarctic.

[Guzman] Minister, what percentage of abstentions do you expect during this presidential and parliamentary election?

[Krauss] I have been engaged in politics for the past 40 years and have been responsible, in my capacity as government representative, for at least four elections—this is my fifth election—and have participated in innumerable elections. With this experience I believe that any prediction is too daring, and I do not do daring things at my age. [passage omitted]

[Guzman] When does the government expect to disclose the first vote returns on the presidential elections—which, according to information obtained yesterday, will be based on 5 percent of the votes, counted throughout the country?

[Krauss] Based on my experiences in these kinds of events I also feel it is a daring thing to set deadlines. Setting a deadline can also have a boomerang effect, as when you do so and cannot honor it within seconds, there is always someone ready to criticize that we are not keeping our word or are withholding information. We have said that it will be based on 5 percent of the vote returns, at whatever time we have that, be it 1800, 1900, or 2100. Let us hope it is at 1800 and not 2100.

[Guzman] What about the results of the parliamentary elections? Will the same system be used to disclose these results?

[Krauss) Yes, we will use the same system. According to the law, this information will be disclosed as it is received at the ministry. The vote count is successive. First the votes for the presidential election are counted. Then the votes for senator in those nine regions or subregions where senators are being elected are counted, and lastly the votes for deputies in the 60 districts electing deputies. The parliamentary election results thus arrive after the presidential election results. The same goes for the official representative who collects the information that is supplied to the ministry through the various parallel channels we have. This information also arrives successively: first comes the information on the presidential elections, and later on the parliamentary elections. Put briefly, first come the presidential results, and then, with less collection of information, the results of the parliamentary elections.

[Guzman] Minister, yesterday the government recommended to the media that are going to carry out exit polls that they be cautious, and not disclose hasty results on this event. What can you say about this now that it is 0807 and the presidential and parliamentary elections are already under way?

[Krauss] This subject was raised at the end of last week when we were informed by one sector, and then by several radio stations, that they were preparing these systems that entail collecting information at the balloting stations, undoubtedly to make the prediction based on scientific formulas. This system is, however, not as objective as the specific information obtained from the vote count itself. These elements, obviously, in such a sensible event as an election, may influence the peoples' decision. For example, learning at noon that a great number of people are voting in favor or against a certain candidate will obviously affect the decision of those electors who have still not cast their vote. [passage omitted]

[Guzman] We would like to thank Interior Minister Enrique Krauss for this interview.

[Krauss] If you will allow me, Oscar, I would like to stress what you have pointed out regarding the calmness with which this electoral process is developing. Despite the street fights by those engaged in the propaganda campaigns during the past 20 days, I would like to point out that we are going to the elections without any serious, complex, or grave terrorist attack. There have been small bomb attacks, as well as many fake bombs and false alarms. Last night a noise bomb was detonated at premises in San Bernardo. It was at a school, but this is not being used as a balloting station. Another bomb attack was registered at a high-tension pylon in San Ramon creek. Fortunately the bomb did not damage the pylon, nor did it interrupt the electricity supply. This shows that government efforts to coordinate information and intelligence, in addition to the very efficient cooperation of the police and Armed Forces, is allowing the normal development of the elections. I, personally, have confidence in God and, in the second place, in my fellow countrymen that the elections will develop in a completely normal way. The role that the media—which according to Pope John Paul II are a kind of God's apostles on earth—play is also very important.

[Guzman] Very well, minister. We will also be closely watching these elections, and hope to be able to chat with you sometime during its development. We repeat our thanks for this direct interview. Have a good day.

[Krauss] Same to you. Thank you. [end live relay]

Firm Projects Frei Winning Race with 63.8 Percent

PY1112202593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1955 GMT 11 Dec 93

[Text] For the first time in the history of our country's elections, we will have an overall projection of the results as early as now—1655 [1955 GMT].

Now I will open an envelope that Adimark [expansion unknown] Director Roberto Bravo delivered to us more than an hour ago.

Let's now report the results, that is, the projection of national results: Eduardo Frei, 63.8 percent; Arturo Alessandri, 21.8 percent; Manfred Max Neef, 4.5 percent; Eugenio Pizarro, 4.4 percent; Jose Pinera, 4.8 percent; and Cristian Reitze, 0.7 percent.

These were Adimark's total national projections for this presidential election.

Frei Holds 57 Percent With 92 Percent of Votes Counted

PY1212042593

[Editorial Report] Santiago Television Nacional de Chile Imagen internacional in Spanish at 0250 GMT on 12 December carries a live 20-minute report by Interior Ministry Under Secretary Belisario Velasco from the Diego Portales building in Santiago on voting results, with 92.77 percent of the votes counted in the presidential elections.

After giving a breakdown by region, Belisario Velasco reports the following figures at the national level:

Of 6,841,916 votes from 24,931 voting stations, which represent 92.77 percent of the total stations in the country, the results are the following:

Valid votes	6,468,406 votes
Blank votes	124,107 votes
Null votes	249,403 votes

Including the valid votes, the results per candidate are as follows:

Manfred Max Neef	362,889 votes, 5.61 percent
Eugenio Pizarro	304,274 votes, 4.70 percent
Eduardo Frei	3,749,405 votes, 57.96 percent
Cristian Reitze	74,055 votes, 1.14 percent
Arturo Alessandri	1,572,881 votes, 24.32 percent
Jose Pinera	404,902 votes, 6.26 percent

Velasco said the next bulletin on voting results will be released at 1000 [1300 GMT] on 12 December.

Official Results Confirm Frei Victory

PA1212150393 Madrid EFE in Spanish 1354 GMT 12 Dec 93

[Text] Santiago de Chile, 12 Dec (EFE)—Christian Democratic Party candidate Eduardo Frei Ruiz Table won yesterday's presidential elections in Chile with 58.01 percent of the votes, according to the latest official results announced today by Belisario Velasco, interior minister under secretary.

The figures given by Velasco represent 99.06 percent of the valid votes, which totaled 7,314,890.

Velasco also announced that rightist Senator Arturo Alessandri Besa, Frei's main opponent, obtained 24.39 percent, while independent rightist Jose Pinera, a former minister under General August Pinochet's government, finished in third place, with 6.18 percent.

The breakdown of valid votes follows:

Candidate/Party	Votes	Percentage
Eduardo Frei (Coalition)	4,008,654	58.01
Arturo Alessandri (Unity for Progress)	1,685,584	24.39
Jose Pinera (independent)	427,286	6.18
Manfred Max-Neef (Ecologist)	383,847	5.55
Eugenio Pizarro (MIDA)	324,121	4.69
Cristian Raitze (Humanist/Green)	81,095	1.17

Coalition: Coalition of Parties for Democracy (progovernment); Unity for Progress: rightist opposition; MIDA: Allendista Leftist Movement (extra-parliamentary communist and leftist party)

Aylwin Telephones, Congratulates Frei on Victory

PY1212043893 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0238 GMT 12 Dec 93

[Telephone conversation between President Patricio Aylwin in La Moneda Palace and President-elect Eduardo Frei Ruiz-Tagle in his headquarters at the Carrera Hotel in Santiago—live]

[Excerpt] [Aylwin] Hello, Eduardo.

[Frei] Yes, Mr. President.

[Aylwin] A big embrace. My most cordial congratulations.

[Frei] I thank you very much, Mr. President. I actually believe that a large part of the effort that we have made must be credited to your great administration.

[Aylwin] Thank you.

[Frei] I am extraordinarily happy with the result. I believe it has been an exceptional day. Nevertheless, I am again telling you that a large part of all this must be credited to your administration.

[Aylwin] Thank you. I am very happy with your victory and I hope I will be able to personally embrace you tomorrow.

[Frei] Thank you, Mr. President; I am very thankful.

[Aylwin] We might... [changes thought] I would like to go and see you at your house tomorrow morning.

[Frei] Perfect. You tell me the time.

[Aylwin] What about 1100?

[Frei] Perfect. I will be there waiting for you.

[Aylwin] Well, this has been a great victory. All of us must feel satisfied. I believe this victory guarantees the continuity of the task that we have been carrying out all these years to strengthen our democracy, increase economic growth, enhance social justice, and defeat poverty in our country.

[Frei] I am really thankful, Mr. President, for your friendship and your trust. I believe that, from the first day, when you became a candidate, I told you that we would support you throughout your administration. I believe we have complied with this commitment and I believe Chile today gave a great example to the world. For the first time, after so many years, an administration will have continuity in our country. And I dedicate this great victory to you, Mr. President.

[Aylwin] Thank you, Eduardo. I appreciate your words and you may rest assured that after my retirement from all political activities, I will cooperate as much as I can with your administration in order to guarantee the greatest possible success in our common task.

[Frei] Very well, Mr. President. I am very thankful for your call and I will be waiting for you in my house at 1100 tomorrow.

[Aylwin] Very well. Good night.

[Frei] Good night. (?Sleep well).

[Aylwin] Thank you, likewise.

[Frei] Thank you.

[Relay from La Moneda Palace] [Journalist Maria Teresa Guerra] How is your mood, Mr. President?

[Aylwin] I am happy, of course. As Eduardo Frei has just said, since 1915 no president of the Republic in our country has been as fortunate as to deliver his administration at the end of his term to a successor from his own party. There were two administrations that had continuity at that time. The administrations of Pedro Aguirre Cerda and Juan Antonio Rios. Aguirre Cerda and Rios died in the middle of their terms of office. Therefore, they were not as fortunate as to deliver their administrations to a successor from their own party. All other administrations were finally transferred to an opponent.

For me, it is a great satisfaction and a proof that, according to the data available to us on both the presidential and congressional elections, the country today confirmed its trust in our performance, in the political combination, in the Coalition of Parties for Democracy, which, in the end, represents a recognition of our administration's performance.

[Guerra] What will be the coalition's responsibility vis-a-vis the future of this government coalition's unity?

[Aylwin] There is no doubt that it is a great responsibility to supply the next administration with the same support that it has given to my administration, a support that has allowed us to carry out our task and achieve this success.

[Unidentified reporter] Will you govern until 11 March, Mr. President?

[Aylwin] I will govern until 11 March, but, of course, in matters that are important for our future, I will ask my successor's opinion. [passage omitted] [end recording]

Alessandri Concedes, Visits Frei To Congratulate Him

PY1212025993 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0210 GMT 12 Dec 93

[Relay from outside the Carrera Hotel, Eduardo Frei's election headquarters in Santiago, by unidentified reporters—live]

[Text] [First reporter] Right now Arturo Alessandri is entering Eduardo Frei headquarters here. We will attempt to get close. Well, it is difficult. Right now Arturo Alessandri is surrounded by journalists. Let's see what can be done. [applause, cheers]

Arturo Alessandri has just entered Carreras Hotel. Let's see now. We will now contact the Television Nacional de Chile teams there.

[Second reporter] You are watching right-wing candidate Arturo Alessandri's arrival at Frei headquarters. After conceding his defeat in this election, Alessandri has come to this hotel to personally greet the man who today has become Chile's president-elect, Eduardo Frei Ruiz-Tagle. They have embraced and right now they are going to the offices inside this hotel where Frei headquarters are located.

There is great joy, mixed with enthusiasm, here. There are embraces. People are constantly making calculations to guarantee victory. This victory not only involves the presidential election, but also the congressional elections.

The absolute calm has called strong attention. The two senators are embracing now. One is the president-elect and the other is the defeated candidate.

Arturo Alessandri's gentle attitude already has been sufficiently praised.

Alessandri and Frei now are going to a balcony in a mezzanine of this hotel to pose for a large number of photographers and correspondents and now you are hearing a true ovation from the people in this room.

Arturo Alessandri congratulates Frei.

Candidate Alessandri Makes Concession Speech

PY1212031393 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0139 GMT 12 Dec 93

[Concession speech by presidential candidate Arturo Alessandri from his electoral command headquarters in Santiago—live]

[Text] Dear friends: My first impression tonight is of profound emotion and satisfaction for the mission accomplished. Let us not forget that politics is a public service, ideas for the good of all, struggle without dismay for the future of Chile and Chileans.

Politics cannot be mistaken for a quest for success, a machinery for power, positions, and privileges. Those of us who made public service a life option measure ourselves by the fulfillment of our promises.

Tonight, upon addressing the millions of Chileans who deposited their trust in us, I tell them with pride that we fulfilled the promises despite the problems that seemed invincible and that never defeated our spirits or decreased the enthusiasm with which we took up the banners of the center-right in the historic convention of 8 August. [applause]

When I accepted the unanimous proclamation of the parties that made up the pact and of the independent forces, I did it to represent the clamor of unity that emerged from our rank and file. More than just hope has flourished in this short time. We have shown that united work between the independents and the political parties of the sector was possible.

You well know that my candidacy did not emerge from personal arrogance or selfish interests. No one could be at peace with his own mind at this time, however, had we not made this great effort in the most difficult times for our political sector, difficulties that fortunately have now been overcome.

The unity maintained, not without difficulties during the campaign, will allow us to hand over to Chile a congressional representation capable of promoting and defending the great political, economic, and social progress achieved with such difficulty in the last 20 years. Also this congressional representation is the greatest guarantee we can offer the country, a guarantee that institutional stability and the responsible auditing of the government administration will be maintained.

But we also said with force, conviction, and insistence that Chile could do more. Our campaign gave form to concrete proposals to make Chile a country where personal effort become the only way to determine the progress of each individual, a country in which people can live without fear, a country with education and training so that our youth could join the world of jobs, a country where dignity should prevail in the health care each Chilean receives, and in which we could be able to progress in each community and region as a single country.

We might have been short of time and resources in this campaign. I assume this with realism, but the enthusiasm and charisma for spreading our message, and delivering ideas and proposals for the progress of Chile without ever discrediting anyone fully compensated for this.

A majority of the country chose a different direction than the one we proposed. As democrats we obey this verdict, and we wish the next government the best success because Chile deserves it. [applause]

As the opposition we will openly support any initiative we consider valuable, and with the same firmness we will oppose any action or omission going against achieving the common good. Many positive lessons have been learned from this campaign. Our sector, which only recently created the modernization that is admired by the world, should seek from now on with conviction the way so that the false environment of division between those who think and feel the same way never prevails among us. [applause]

We have shown the profound cohesion we have, especially in what is most essential: The values and ethical principles that should mark our own style of development in the 21st century and also in the vision we share of a society of freedom and opportunities for all. This is the greatest legacy of this campaign.

I thank from the bottom of my heart all of you who have accompanied me in this hard task, the parties that supported me with loyalty, the people who believed in us, and, especially, God. We have in our hands, and it depends on our work in the next few years, to become a real alternative for Chile, without bosses, solid and courageous to give a future to the country we love so much. Thank you very much. [applause]

Eduardo Frei's Victory Speech

PY1312142593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0324 GMT 12 Dec 93

[Speech by President-elect Eduardo Frei at the Carrera Hotel in Santiago; live]

[Text] Chileans, the people have had their say. I receive this mandate serenely, humbly, without feeling any arrogance, but at the same time I courageously and decisively intend to be the president of all Chileans without exception. [applause]

No one was defeated here. Chile has won a victory, democracy has triumphed. I thank my former adversaries for their gesture of coming to greet me. I address this to Arturo Alessandri and Manfred Max-Neef, who came to greet me. We carried out a great campaign. I now ask them to launch a loyal opposition, with greatness, to continue to consolidate Chile's democracy. [applause]

I want to thank the Chilean people, the thousands and thousands of Chileans who accompanied us on this beautiful journey. I want to greet Chilean children who accompanied me at the town meetings, at the neighborhood rallies, and who handed me their hopes. I want to greet my fatherland's youth. [applause] They handed us their ideals and showed us their dreams. They committed themselves with the future.

I also want to greet the thousands of Chilean women who supported me with so much decision. I greet Chilean workers with whom we will continue to work for dignified living conditions. I greet the professionals and technicians who joined us massively. I greet the intellectuals, artists, and scientists who also cooperated and contributed to make this beautiful day possible.

Tonight, I want to thank the coalition of political party members who elected me as their candidate and with whom we loyally worked during this campaign. We will continue working with unity and clarity in the coming years to consolidate our country's future. I thank my party for its support—the Christian Democratic Party for which I have been an active member for more than 35 years.

I thank the thousands and thousands of independents who once more joined this civic effort—as very few times before during a presidential campaign. I thank my campaign managers and all those who worked in each Chilean province and region to make this happy night possible.

I thank the coalition congressional candidates who joined me at each rally and with whom we committed ourselves to continue to work for Chile. I would also like, on this beautiful night, to thank my parents, because everything I am I owe to them. [applause] I greet my mother who is listening. They taught me to fight for values and ideals. They taught me about effort, dignity, and dedication. They taught me to create and to build. They taught me everything I am today.

I thank my family—my wife and daughters—who accompanied me in this campaign and with whom I share my entire life. [applause]

Tonight I would also like to greet President Patricio Aylwin. [applause] A few minutes ago he called to greet me. For the first time in more than 50 years of Chilean political life I am proud to say that I am a candidate of continuity. We will continue this great government's work, which is owed to Patricio Aylwin and his team. They contributed to consolidate democracy in our fatherland, to reconciliate Chile, and to build a society with progress, modernity, and social justice.

We must use this clear-cut and categorical mandate that has few precedents in our republican history to work honestly and truthfully to make our administration excellent and effective as demanded by the thousands of Chileans who have lent us their support during this long journey.

We have said many times and we will repeat it once more: Our political work will be for the people. Politics must be aimed at resolving people's everyday problems and at the same time it must have clear-cut basic ethical and moral principles that we will firmly and decisively enforce throughout the next administration. [applause]

We have important tasks ahead of us. We must fight poverty. We must make a serious effort to solve problems in education, access to knowledge, and the training of our people for them to be able to successfully compete in the 21st century. We must improve people's health, habitat, and environment. We must modernize the state. We have many tasks and challenges ahead. I ask you to help me. This is not only a task for the president. It is the task of organized people. It is the task of people conscious of their importance and their future. It is the task of people who believe we will design their future with participation and solidarity.

I want unity for my fatherland. I want to work with all Chileans. Let us make an effort. If during the next few days Congress ratifies the political agreement concluded on 9 December I will have the honor of ruling my fatherland into the 21st century.

We want to bequeath to our children and our youth a more humane fatherland. We want to bequeath to Chileans a more humane and united fatherland. Today we want to state—particularly to the poorest sector—that our priority task and my continuous concern as a ruler will be to open new space, to grant an opportunity so that they too can grow in a dignified fatherland. [applause]

Democracy has triumphed. Chile has triumphed. Today we witnessed an exemplary act. We once more gave an example to our fatherland and the world. I feel happy and proud to rule this dear country. I am proud and happy about the way we conducted our campaign, without personal insults or attacks, always respecting the dignity of our adversaries, always respecting our people's dignity, which is essential. [applause]

Thanks to my people, and thanks to Chile, we will continue ahead. We will face history with decision and courage. I ask you to accompany me. Today I ask all Chileans, men and women, to accompany me in the beautiful task I will start on 11 March. I ask them to accompany me with force and decision. We will work together. I will be my people's first servant, the head of state of a nation willing to work with you. I will be the president of all Chileans to achieve our dreams and to work with my fatherland's youngsters. With you our dearest dreams will become reality and we will reach the 21st century as a really modern, humane, and unified country. Let us build, let us be consistent. I ask God to help me in this task. I ask Him to accompany me in the challenges we begin to face as of tomorrow. I ask you to accompany me. Thank you, my friends, thank you Chilean people. I reiterate to the humble ones, the poorest ones, the small children who followed me, the women in the villages, the workers who were with us in the coal mines and in other places, I reiterate to them that I will keep La Moneda Palace's doors open to receive them. Government House will be the house of all Chileans. Thank you, my friends, for your trust. When you voted for me you not only placed a mark on a name, you placed your illusions, hopes, and trust on us. We will not disappoint you. We will continue to work with trust and optimism to build the future of our fatherland. Thank you. [applause]

President-Elect Discusses Military, Foreign Policy, Regional Ties, NAFTA

PA1212200993 Madrid EFE in Spanish 1823 GMT 12 Dec 93

[Text] President-elect Eduardo Frei said today that there is no military protection because everyone respects the Constitution. He reaffirmed the need to reinstate the president's authority to appoint the Armed Forces commanders.

In his first news conference since his victory of yesterday, Frei refrained form saying whether or not he will ask General Augusto Pinochet to resign as commander in chief of the Army. According to the Constitution, Pinochet will hold the post until 1997.

On foreign policy, Frei said he expects to improve and expand his relations with Bolivia and stated his objection to the U.S. embargo against Cuba. He said he supports the UN resolution, however, which calls for Fidel Castro to respect freedom of the press.

Frei is currently a senator, but will turn over his seat on 11 March 1994 to socialist Maria Elena Carrera. He recalled that he was the leader of all the political forces that make up the Political Party Agreement for Democracy [Concertacion de partidos por la Democracia] and said it will be the party leadership who will have to evaluate the election process.

Nevertheless, the president-elect blamed the poor parliamentary election results mainly on the binomial election system, which calls for a party to get at least 66 percent of the vote in order for its two legislative candidates to win the district election.

Eduardo Frei explained that even though his party did not get two-thirds of the seats in Congress, he expects to reach some sort of agreement with the right-wing opposition to try and reform certain authoritarian aspects of the 1980 Constitution, which Frei inherits from the former military regime of Gen. Augusto Pinochet.

He reaffirmed one of the necessary changes is the reinstatement of the president's authority to control the military high command, including the possibility of removing the commanders in chief; the president had this authority until 1973.

On border country relations, Frei said that he expected the parliaments of Chile and Argentina to ratify the border agreements on the Southern Ice Flats, signed by Presidents Patricio Aylwin and Carlos Menem in 1992. He also indicated his intention to "prioritize a continued and permanent relationship with Bolivia," although he refused to comment on resuming full diplomatic relations and naming an ambassador, relations which have been interrupted since 1962, with a brief period of relations between 1975 and 1978.

On the Peruvian issue, Frei said he had the pleasure of talking with President Alberto Fujimori, in Santiago, during the Ibero-American Summit in Rio. Frei told Fujimori at that time he hopes the Chilean Congress will approve several pending issues regarding the 1929 Border Treaty before the inauguration in March 1994.

Regarding NAFTA, signed recently by the United States, Canada, and Mexico, Frei said that he hopes Chile can join the agreements. He pointed out that the country has an open economy, which has allowed it a 6 percent annual growth rate.

When asked about the protectionist stance of the EC, he answered that he has no major concern, as the EC is one of Chile's leading trade partners, adding that he has great trust in the European countries.

Colombia

Cali Cartel To Propose Schedule for End to Operations

PA0912154893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 8 Dec 93

[From the "NTC News" newscast]

[Text] Attention. Tomorrow lawyers for the Cali Cartel will deliver to the prosecutor general of the nation a kind of schedule which establishes the cartel's deadlines for dismantling [drug processing] laboratories and financial networks and ultimately submitting themselves to justice.

The next stop for the Valle del Cauca Department drug traffickers would then be the Palmira penitentiary, at which the construction of a maximum security pavilion is being completed. It has electronic doors and independent guard posts; a television system is being installed. It has a broad patio and two stories of cells, apparently enough to lodge the drug-trafficking chiefs who may surrender to justice in this region of the country. A process for this has been announced for next January, but it is not certain if it will indeed come to pass.

[Begin Carlos Holguin Sardi, governor of the Valle Del Cauca Department, recording; identified by caption] My duty as governor is to make people submit themselves to justice and ensure that the law will prevail. I am willing to do whatever I can to achieve this. [end recording]

It has been learned that the surrender of the chiefs of the Valle del Cauca Department drug traffickers would also end their business operations in this part of the country. NTC News learned that the proposal aims to put an end to drug trafficking in Valle del Cauca Department over a six-month period—the first three will be spent dismantle the cocaine production apparatus and the other three will be spent dismantling the financial network.

It is expected that by the end of those six months, a large part of the business and problems caused by drug trafficking in Valle del Cauca Department will have dropped off and that its principal leaders will be in jail and their cases under investigation.

De Greiff Says Cali Cartel Leaders To Surrender 'Next Year'

PA1212155993 Hamburg DPA in Spanish 1412 GMT 12 Dec 93

[Text] Santa Fe de Bogota, 12 Dec (DPA)—Prosecutor General Gustavo de Greiff today ruled out a mass surrender by Cali Cartel drug traffickers, at least for the rest of the year. In a statement for private radio network Caracol, de Greiff said "a joint surrender of mafia members would be excellent for Colombia, but due to circumstances and procedures we will have to wait until next year."

Two days ago, de Greiff announced that two leaders of that organization were willing to surrender to Colombian authorities, but did not give their names. "They are well-known persons," he added. De Greiff said two persons linked to the Cali Cartel officially presented their request through their lawyers to receive the benefits of the policy for those who surrender to justice implemented by President Cesar Gaviria. "We will see what they have to offer and make sure they are really going to cooperate, as we do not want this to end as simple words," de Greiff noted, adding that the process could be firm during the first days of 1994, although "the surrender could take a few more weeks."

He asked the media and the authorities in general to handle this subject with seriousness and prudence, in view of the importance it has for the country, which currently is going through a positive phase in the struggle against drug traffickers.

Other sources have reported that, in addition to the Cali Cartel, other drug trafficking organizations operating in various parts of Colombia have announced their desire to surrender. According to authorities, the Cali Cartel is handled by brothers Gilberto and Miguel Rodriguez Orejuela, who have been accused by U.S. authorities of currently smuggling at least 80 percent of the cocaine consumed in that country.

The policy for surrendering to justice includes the reduction of penalties and other judicial benefits for those who voluntarily turn themselves in, confess at least one of their crimes, and help disband criminal organizations by providing information. Several members of the Medellin Cartel, founded by recently slain mafia leader Pablo Escobar, surrendered under that process and could be freed soon.

Names Published of Cartel Members Said Willing To Surrender

PA1212045293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 11 Dec 93

[From the "NTC News" newscast]

[Text] The Cali Cartel members are planning to surrender en masse. Tulua Mayor Gustavo Alvarez Gardeazabal disclosed today to "NTC News" that specific contacts have been established. Meanwhile, the Cali daily EL PAIS published today a list of those individuals who are ready to surrender. The brothers Gilberto and Miguel Rodriguez Orejuela are included on that list.

The process leading to the surrender of the Cali Cartel men continues to move on. It has been learned that the first contacts for a definite surrender are almost ready. The surrender would take place in Tulua, where city Mayor Gustavo Alvarez Gardeazabal had received a telephone call from two individuals who want to turn themselves over to justice.

The Cali daily EL PAIS published today a list of 21 people who have been accused by authorities of being drug traffickers and who want to surrender. They are divided by groups according to the cities where they operate.

From Cali, the following will reportedly surrender: Gilberto and Miguel Rodriguez Orejuela, Jose Santacruz Londono, and Francisco Herrera, whom the authorities say are the chiefs of the cartel in that city. Hernando and Arcangel Henao would reportedly surrender in the northern part of Valle del Cauca Department. In Tulua, Carlos Alberto Renteria, Carlos Arias, and Arturo Herrera. In Buga, Fanor (Ariza Valeta), Luis Horacio Hurtado, (Cipion) Rengifo, and Jairo Lopez. Juan Carlos Ramirez, Humberto Pabon, Alberto Pabon, Rodrigo Rivera, Carlos Alberto Campo, Tulio Campo, Fanor Reyes, and Efrain Hernandez have also voiced their plans to solve their legal problems.

Some of these individuals have requested a prison close to their cities, and, therefore the Prosecutor's Office has requested an evaluation of various jails in addition to the top security one at Palmira. One of them is the Tulua Jail, and if it is authorized, it will receive the first group to surrender to justice in the central area of Valle del Cauca Department.

It has been learned that the drug traffickers who surrender are willing to dismantle the drug business during the next six months. These contacts have been mentioned in the United States. THE WASHINGTON POST has reported that a prison term of only one year is being negotiated for the alleged drug traffickers of Valle del Cauca Department. The U.S. attorney general has reacted by saying that this would be like inviting everyone to join the drug business.

Navarro Offers To Mediate Surrender

PA1212230693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 11 Dec 93

[From the "NTC News" newscast]

[Text] Antonio Navarro Wolff, the 19 April Movement Democratic Alliance [AD/M-19] presidential candidate, offered today to mediate in the drug traffickers' surrender. Navarro favors narcotics legalization with international coordination and believes that any weapon to eliminate drug traffic is valid.

[Begin Navarro Wolff recording] If it helps in defeating the cartels, it is good. I think that that is what counts. [end recording]

In a letter addressed to Prosecutor General Gustavo de Greiff, Navarro suggested a gradual dismantling of drug-trafficking operations and underlined the advisability of having the public participate in the debate.

[Begin AD/M-19 leader Vera Grave recording] We hope we will not have to enter another war. Temporary remedies, which have been useful but have not solved the problem, should not be sought. [end recording]

Narcotics legalization, which de Greiff first proposed, has become the subject of a hot debate, precisely now that the most heated stage of the campaign for the Presidency draws near.

In addition, de Greiff has just told this station that he gladly accepts the mediation of the Tulua mayor and former minister Navarro Wolff for the Cali cartel's surrender.

[Begin de Greiff recording] The truth is that no mediators are needed, but we welcome the help of all who want peace and hope to end crime.

[Unidentified reporter] Do you approve of such help?

[De Greiff] We accept any and all who want to help us end crime.

[Reporter] Navarro said he can mediate if he is allowed to.

[De Greiff] I repeat: Anyone who wants to help us end crime is welcome.

[Assistant Prosecutor General Jose Francisco Suira] Any cooperation that helps reinforce the peace process through the administration of justice is welcome. [end recording]

Defense Minister 'Recovering' After Surgery

PA1212194193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 12 Dec 93

[Report by Diego Hernan Canal; from the "NTC News" newscast]

[Text] Defense Minister Rafael Pardo recovered consciousness in the past few hours. He even thanked the doctors at the Shaio Clinic, as well as doctors at the Police Clinic, where he was initially taken. Nevertheless, doctors say his condition will still be critical for the next 24 hours.

Minister Pardo is recovering from a vascular condition that required emergency surgery on his main artery. Today, Minister Pardo was able to walk and talk again.

[Begin family doctor Juan de Francisco recording] Naturally, he asked about his family. He remembered very well what had happened to him, his transfer to the police, the initial medical reports, his admittance at the ICU, his stabilization and subsequent transfer to the Shaio Clinic. [end recording]

Top military commanders, including retired General Alvaro Valencia Tovar, arrived at the clinic this morning to visit Minister Pardo.

Despite Minister Pardo's satisfactory recovery, doctors say they prefer to wait five days before declaring him out of danger.

Five Conservative Presidential Hopefuls Form Alliance

PA0912173593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 8 Dec 93

[From the "NTC News" newscast]

[Text] The five anti-Andres [Pastrana] Conservative candidates have decided to form a movement called Conservative Unity [Unidad Conservadora]. But the five will continue to be candidates. They exaplined that they are not Smurfs [pitufos]. The Quintuplets, those small blue [conservative] candidates whose political enemies call them the Smurfs, have rebelled, not only against decisions adopted by their party but also against their unusual nickname.

[Begin recording] [Rodrigo Gerlein, identified by caption] Smurf is an ad hominem argument against people and has not a single gram of intelligence.

[Unidentified reporter] What do you say?

[Rodrigo Llorente, identified by caption] The term Smurf is of Argentine origin. It's a cartoon. [end recording]

In an attempt to eradicate this and other names like the Syndicate, the Quintuplets, and the Smurfs, this group of Conservative precandidates has decided to henceforth refer to itself as Conservative Unity. It is a new political group that opposes not only Andres Pastrana, but also its Liberal adversaries.

[Begin Juan Diego Jaramillo recording, identified by caption] We are a group with moral credibility in the country. [end recording]

The newborn Conservative Unity will hold its own popular consultation on 13 March. They have invited Andres Pastrana to this consultation.

[Begin Rodrigo Marin recording, identified by caption] The winner of the consultation will be the party's candidate; we are solemnly and irrevocably committed to support him throughout the presidential election. [end recording]

Idea of Postponing Uraba Elections Said Gaining Strength

PA1112223193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 10 Dec 93

[From the "National" newscast]

[Text] The idea of postponing the elections in Uraba in response to the increase in violence is gaining strength. The proposal, which came from the private sector, has begun to receive support from all sectors; even the national government is studying the measure. Here is a report by Anna Fernanda Valderrama: [Begin recording] [Valderrama] The national government has said at the start of the violence in Uraba that it would not suspend the elections in the region for any reason. Today, when the murder of 17 peasants was reported, the tone has begun to change.

[Juan Diego Velez, acting president of Augura, not further identified] If people are going to continue to be killed, we would have to think about suspending the elections.

[Government Minister Fabio Villegas] The government does not rule out the possibility of suspending the elections if necessary, although its intention is to do everything possible so that the electoral process can be carried out in Uraba.

[Antioquia Governor Juan Gomez Martinez] If the problem is political, if there is a political confrontation, if the solution is to suspend the elections, such a serious, delicate, and drastic measure would have to be taken, because in the face of violence one has to take drastic actions.

[Alvaro Vasquez of the Colombian Communist Party] In Dr. Gomez Martinez' case, I am not surprised by his position, because he is a well-known Conservative leader, and the Conservative Party does not have any presence in Uruba; therefore, if the elections are suspended in Uraba, the Conservative Party would come out winning.

[Valderrama] The possibility that the government will grant powers to the Antioquia governor to hold regional dialogues is remote and a topic of debate.

[Villegas] It makes no sense to hold dialogues in Uruba; with whom? With organizations that are killing those who have accepted a peace process, who have given up weapons, and who have made the courageous decision of joining political life through the confrontation of ideas? [end recording]

President Cesar Gaviria has also referred to Uraba, admitting that the government measures have not done enough to deal with violence there.

[Begin Gaviria recording] During my trip to Uraba, I found that what we promised to do to strengthen justice in Uraba is not being done as fast as it should; not enough has been done. We are going to persist with that policy. We are going to continue working for understanding among the political parties in Uraba, because it would be very serious if, due to the violence, a political confrontation were to take place. We are going to persist. The state is obligated to work hard to punish those responsible. [end recording]

3,000-Man Brigade To Increase Security in Uraba

PA1112225593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 11 Dec 93

[From the "24 Hours" newscast]

[Text] While funerals were being held for 17 victims of the violence in Uraba, the government, in a desperate attempt to halt the violence, has announced that a special brigade of 3,000 men will increase security in the banana region. Here is a report by Juan Ortiz:

[Begin recording] [Ortiz] At the site where bananas are processed, 12 people were shot to death and then hung on a cable used to transport the bananas. This was just one of the many massacres in the past month in Antioquia Department's Uraba region, where approximately 110 people have been killed.

Authorities blame the Bolivarian Militias of the FARC [Revolutionary Armed Forces of Colombia] which, in a selective process, have murdered members of the Hope, Peace, and Liberty group, which has returned to civilian life. The authorities also blame the so-called People's Commandos [Comandos Populares], a paramilitary group that indiscriminately kills members or sympathizers of the Patriotic Union.

In this atmosphere of retaliation, in which the number of victims is constantly increasing, the departmental government is considering the possibility of suspending elections as a response to the wave of violence. The region's political groups or the local mayor do not support such a decision.

[Apartado Mayor Nelson Campo] I think that if elections are postponed, the situation would get worse, because it would be as if our region did not belong to Colombia; we would be a region without government or law.

[Ortiz] The political forces have condemned the impunity enjoyed by the paid assassins, who move about in groups of 10 to 20, without being detected by the soldiers present in the banana areas or the urban centers near, which the most recent and bloodiest massacres have taken place. The worst thing about this violence is that as long as there is no real political desire for change, all of the government proposals will be useless. [end recording]

Finance Minister Views Accelerated Growth

PA1212140993 Santa Fe de Bogota EL TIEMPO in Spanish 6 Dec 93 p 9b

[Article by Colombian Finance Minister Rudolph Hommes: "We Are Headed Toward Accelerated Growth"]

[Text] Colombia has made great strides over the past four decades in generating and distributing income, education, and health. During the 1980's, Colombia's progress was slower, but was the Latin American country with the greatest growth and stability and the only country with no negative growth since 1950.

Even though these are good results, there was ample room for improvement. This is the basic reason for opening the economy and the many economic and political reforms by the Gaviria administration. When reviewing what is being proposed internationally as a growth model for developing economies, I concluded that we have done the right thing. There are only a few critical areas that need attention, which may still be accomplished during this administration and in the years that follow.

The signs are already appearing that the economy is on the path toward greater growth: In 1993 and 1994, growth will surpass 4.5 percent; unemployment is at a historic low; productivity again grew following a decade of descent; and inflation has dropped for the third consecutive year.

What Has Been Done?

Let's review the policies that have been implemented to achieve accelerated growth.

Macroeconomic stability. International empirical research matches the concern we have had in Colombia of achieving macroeconomic stability, because this is a condition needed for growth, although this has been insufficient. An economy affected by high inflation, high fiscal deficits, or balance of payment imbalances is condemned to grow at a slower pace than a balanced economy.

Another important policy was the turnaround given to the Bank of the Republic. This bank was made responsible for reducing inflation. The development credit funds it used to manage were eliminated. The latter were among the main obstacles to the development of financial and capital markets and of the granting of credit to small producers.

Despite the progress achieved and Colombia's inviable record, there are ideological forces seeking to destroy these achievements: At Congress there is a movement, promoted by a minority that is very influential, that seeks to eliminate fiscal balance through legislation to revive the granting of development credits, which undermines growth, and to cause macroeconomic imbalances. As a result, the Colombian Congress could loose a characteristic that has made it very superior to other Latin American congresses: fiscal responsibility. They now want us to embrace populism, which, in the name of good intention, has destroyed several of our neighboring countries.

Investment in human capital. The success of Asian economies seems to be largely based on their high degree of development of human capital. Although Colombia has much progress to show in the education area, the efforts made are insufficient, and much more must be done. For example, secondary school education is still reaching only 50 percent of prospective students. Current plans predict that coverage will reach 75 percent in 1999 and 100 percent in 2005. Given that a one-and-a-half year increase in the average education is associated with a one-point increase in per capita income, it is advisable to accelerate this trend. This would require a profound change in the structure and organization of the Education Ministry.

Distribution of income. Our economic progress has had a favorable distributive effect that is highly significant. In 1978, the income of the wealthiest was 15 times that of the poorest, whereas now it is 10 times.

Distortions in prices. One of the factors inhibiting growth the most is distortions in prices, which are generally caused by governments. Although many of them have been eliminated, there are still some holdovers such as the subsidized prices for public services. Correcting them is indispensable, as we have been doing in the three long years of this administration.

Opening to modern technology. In 1990 and 1991, Colombia changed its attitude to foreign capital and regulating it so that nothing bars the arrival of international capital now. In addition, it finally became possible to issue a timid regulation to allow a reduced inflow of foreign citizens. I hope most immigrants will come from Asian countries, although emigration is most actively promoted in Europe.

Drive to export. From 1967 to 1991, Colombia maintained an active policy to promote exports based on subsidies and privileges to exporters. This policy, however, could not go on indefinitely because it was based on a closed economy marked by a very antiexport orientation, which are not accepted in current international commerce practices. For that reason, subsidies were eliminated, and at the same time the antiexport orientation was toned down.

Financial deregulation. Financial deregulation is another factor that promotes growth. A well developed financial sector, where privileged credit does not exist, and a vigorous capital market are factors that promote growth. The most recent studies establish a high positive correlation between growth of the economy and the level of financial claims issued and the public as a proportion of the GDP. [sentence as published] We have deregulated the financial markets to promote competition and the financial claims issued have registered record increases in recent years.

Opening to commerce and access to markets. The consensus exists today about the positive relation that exists between economic growth and exposing national production to foreign competition. Colombia is an open economy because it has a tariff protection of 6.7 percent, and 99 percent of tariff items can be freely imported.

Labor flexibility. The labor reform aimed at giving flexibility to the job market is a fundamental piece of the program to modernize the economy, but it has also been essential in preventing unemployment during the structural reform of these past few years. Colombia now has perhaps the most flexible labor regime in Latin America.

Investment. Total investment is growing this year by about 22 percent, and the growth of private investment is close to 28 percent. This has been achieved thanks to the drop in interest rates, the decrease in the cost of capital, opening, and credit coverage.

Cost of capital. The cost of capital has dropped 60 percent in nominal terms since 1989 thanks to the reduction in real interest rates and tariffs, and also because the tax system is positively oriented in favor of investment.

Productivity changes. Industrial productivity has increased considerably, as reflected in polls conducted by the Development Ministry, since we started to open our economy.

Critical Areas

Violence. The double pest of narcoterrorism and the guerrillas hinders growth and prevents improvement in the quality of life of Colombians, especially of the poorest. Foreign investment would be at least twice as much as current levels if these problems did not exist and domestic private investment could be 20- to 25-percent higher.

Infrastructure Deficiencies. The new literature on growth gives great importance to expansion of the transportation and telecommunications infrastructure. In Colombia we have been too timid in creating infrastructure to the extent that our inadequate infrastructure increases the cost of our international trade by 12 percent of its value. In the future, especially when Cusiana [oil fields] starts to generate revenues, we must promote large public and private investments on transportation, telecommunications, and energy infrastructure. The increase in investment in infrastructure should be at least 2-3 percent of GNP higher than current investment.

Institutional strengthening. The new composition of public expenditures reflects a concern to strengthen and modernize institutions related to education, justice, and preservation of public order. Expenditures on justice grew 99 percent in real terms between 1990 and 1993, on social expenditures 49 percent, on internal defense and security 46 percent, on infrastructure 45 percent, and fund transfers to municipalities 76 percent.

Exchange terms. With a recessionary world economy and adverse exchange terms it is almost a miracle that our economy is growing at more than 4.5 percent this year. If the economy continues to be handled well, we could grow at an annual rate of 6-7 percent as soon as exchange terms improve and the U.S. economy recovers.

* Samper on NFD Participation in Cabinet

94SM0115A Santa Fe de Bogota EL TIEMPO in Spanish 19 Nov 93 p 6A

[Text] One of the sharpest clashes among candidates for the presidential nomination to date in the campaign came yesterday after Ernesto Samper's request that the ministers supporting Andres Pastrana be removed from the cabinet.

From the United States, where he began a trip on Wednesday, Samper strongly criticized Pastrana's presence in the cabinet (through the ministers of labor, Luis Fernando Ramirez, and of development, Luis Alberto Moreno), as he considers their position ambiguous.

This information, published exclusively by EL TIEMPO, caused surprise in political circles.

David Turbay, one of those attending the meeting [of presidential hopefuls], announced that he will no longer take part in these sessions, as he considers it inappropriate for confidential conversations to be revealed in this way.

Humberto de la Calle Lombana sharply criticized Samper, saying that his request "only demonstrates his fear of running against Andres Pastrana. For that reason, he should not be the Liberal Party candidate."

"Samper is afraid of economic liberalization; he is the candidate of the past, not of change. I told President Gaviria that the Liberal Party is with the government; the one who has not backed this government is Samper," he concluded.

"He Has a Foot in Both Camps"

Ernesto Samper's position on Andres Pastrana's participation in the government was released from the United States. His statement said that the conservative candidate "has a foot in both camps," as he is continuing to participate in the cabinet, while in Congress he opposes some of the Executive's initiatives.

The text of Samper's statement follows:

Concerning the accounts published of the conversation between the liberal presidential candidates and their leader, President Cesar Gaviria, last Tuesday, I believe some comments may be appropriate:

It is not true, as it was said, that the meeting took place in a climate of tension. On the contrary, issues like the public order bill, security in rural areas, and party relations with the government were discussed cordially and frankly. On the latter point, some of us told the president that it was inadvisable to allow the group led by conservative candidate Andres Pastrana to continue to be part of the government, as they are now.

It is no secret to anyone that while the NFD [New Democratic Force] has collaborated with the government, various electoral and opinion groups that openly support the conservative candidate are radically opposed to the government. Starting with Dr. Pastrana's own family, as shown by the recent statements by his father, former President Pastrana, against the restoration of relations with Cuba or the calumnious reports published in his brother's newspaper about the president and his family. It seems even stranger that Dr. Pastrana reserves the right to distance himself when that may work to his advantage in the election, as shown by the recent episode on the budget bill, when Pastrana acted in a spirit of electioneering opportunism.

In summary, Dr. Pastrana should clearly define his position in relation to the government, as he did last week in relation to his status as a conservative candidate. If his decision is to continue supporting President Gaviria's government, that is fine, as long as he pledges his support to the government with the same solidarity he has shown to all the conservatives with him in Congress. What I do not consider good for the nation is for Dr. Pastrana to be an option as a future presidential candidate simply because he says nothing, as he has a newspaper at the service of the enemies of his enemies, or because in relation to the government, acting with ambiguity, he has a foot in both camps.

As I said at the meeting, I reiterate my support for Cesar Gaviria's liberal government of which I am honored to have been a part. I will continue as such until I present my platform to the public. The Colombian people have the right to know what those who seek to govern the destiny of Colombia in one of its most difficult moments think, and that is something which the candidate of silence has not yet realized. So it is up to the president to decide whether Pastrana should continue his ambiguous position in the government, or whether this situation should be altered.

Pastrana's Response

Presidential hopeful Andres Pastrana defended the political accord allowing his movement to participate in the government, and said it has been beneficial for the nation.

He termed Ernesto Samper's request that President Gaviria remove the Pastranist ministers from the cabinet inconsistent, stating: "A few days ago he spoke well of the work of the New Democratic Force ministers, and now he is calling for their removal. What does he mean by this?"

He explained that his participation in the administration has not pursued bureaucratic results, but was inspired by agreement on the handling of economic and social policy.

"I have never hoped things would go badly for the president so they will go well for me. I know that if things go well for the president, they will go well for the nation," he observed.

"We," he added, "have stood with the president at some critical moments: Pablo Escobar's escape and energy rationing, for example, while his party does not seem to have done the same."

Ecuador

Costa Rican President Concludes 3-Day Official Visit

PA1312012593 Quito Voz de los Andes in Spanish 2300 GMT 10 Dec 93

[From "The Voz Andes" newscast]

[Text] Costa Rican President Rafael Angel Calderon Fournier concluded today an official three-day visit to Ecuador.

Calderon met with Ecuadoran President Sixto Duran-Ballen, signed several agreements, and defended Latin America's right to free trade. During a news conference, and alluding to the regional disagreement against the European system restricting its own banana imports, the Costa Rican president said that the Latin American banana-producing countries have powerful Europe against the wall.

Paraguay

Government Orders Investigation of Arms Trafficking

PY1012204793 Asuncion NOTICIAS in Spanish 30 Nov 93 p 7

[Text] President Juan Carlos Wasmosy on 29 November ordered an investigation into the trafficking of weapons in Ciudad del Este in light of a report published in the most recent issue of the Brazilian magazine ISTOE. The report is transcribed on this page.

A communique was released last night by the Social Communications Secretariat of the Presidency. It states that trafficking could be very important in strengthening criminal groups that have international links. The communique states that the government believes it would be convenient to clarify the origin and the connotations of the arms trafficking and to stamp it out.

War College Director, Air Force Aide-de-Camp Appointed

PY1012144093 Asuncion NOTICIAS in Spanish 9 Dec 93 p 13

[Excerpts] The Executive Branch has appointed Valentin Gamarra Velazquez as the new National Indian Institute (INDI) Council director, replacing Federico Vicente Doldan. [passage omitted]

Through decree No. 1440 the Executive Branch has appointed Rear Admiral Andres Ramon Legal Basualdo as acting National War College commander, replacing Division General Galo Longino Escobar. The Executive Branch also reported the appointment of Lieutenant Colonel Horacio Agustin Gomez Rolon as the new Air Force presidential aide-de-camp, replacing Lieutenant Colonel Maximo Rogelio Sanabria Maldonado. [passage omitted]

Peru

Fujimori 'Visibly Affected' by Altitude Sickness

PA1112183593 Hamburg DPA in Spanish 1722 GMT 11 Dec 93

[Text] Lima, 11 Dec (DPA)—EL COMERCIO newspaper published a report today from the city of Huaraz, northeast of Lima, that for the third time in the past few months President Alberto Fujimori was visibly affected by altitude sickness.

The president visited Huaraz yesterday, which is over 3000 meters above sea level. The report says he carried out various activities in that city while "obviously tired."

The note added that he delivered a speech in the Plaza de Armas that lasted less than five minutes because he once again felt the effects of the altitude and had to be given oxygen.

Election Board Voids Referendum Results; Yes Vote Unchanged

PA1212022293 Lima Global de Television Network in Spanish 0100 GMT 12 Dec 93

[From the "Global TV News" newscast]

[Text] In an official communique, the National Election Board [JNE] voided on 11 December the official results of the referendum that were announced in two resolutions on 10 December. It attributed this to typographical errors and announced that the definitive figures for the yes and no votes of the popular consultation will be published on 12 December in the official newspaper EL PERUANO.

The JNE described as groundless the contests filed against resolutions issued by electoral boards in Lima, Puno, and Ayacucho. Opposition spokesmen claim that these results could have changed the final general figures, and thus they have announced that they will resort to international organizations to defend their rights.

The JNE will issue new official figures on 12 December; it announced this in a communique issued in the past few hours. As you know, a report issued on 10 December showed that out of 8,158,550 voters, 3,878,964 voted yes and 3,545,699 voted no; 215,613 cast blank votes, and 518,274 votes were voided.

In its 11 December communique the JNE announced, however, that the official data were not published in EL PERUANO due to typographical errors and that corrected figures will be published on 12 December; this will not change, however, the victory of the yes vote, which is a fact.

Popular Christian Party leader Manuel Macias has said that the JNE has committed a breach of trust by validating void electoral certificates; thus, this behavior will be denounced at various international organizations:

[Begin Macias recording] This is so gross; this result was so openly manipulated, so openly controlled and guided that we will defend our rights before international organizations, because a Constitution that was met by so much opposition cannot prevail in this country. [end recording]

CCD Debates 1994 Foreign Debt Bill Proposal

PA1012223893 Lima Radio Programas de Peru Network in Spanish 1800 GMT 9 Dec 93

[Report by Eduardo Lindo Collantes; from the "Newspaper of the Airwaves, Second Edition" newscast]

[Text] The full Constituent Democratic Congress [CCD] is currently debating the foreign debt contracting bill proposal after concluding discussions related to financial equilibrium proposals as per opinions presented by the economy committee.

Popular Christian Party [PPC] Congressman (Mario Charan) stated that the financial equilibrium proposal had determined an imbalance in the 1994 budget. He pointed out that the project is based on GDP revenues estimated to total $41 billion, but it has been forecasted that revenues will only amount to $25 billion resulting in a $16-billion deficit.

In the meantime, Budget Committee President Carlos Blanco Oropeza stated that a $2.7-billion loan ceiling has been set for external loan contracting for 1994.

[Begin Blanco recording; in progress] ...approximately $2.7 billion. This total amount will have to be distributed in the following manner: a $900-million ceiling for those debts linked to productive investments and to support goods and services production. A similar quantity has been earmarked for the social sector. In these cases we are referring to the health, education, and justice sectors. A $200-million ceiling to all aspects related to operations linked to national defense. In concluding, a $700-million total amount to support the balance of payments. [end recording]

These were statements by Congressman Carlos Blanco Oropeza, representing the Economic Committee and who defended the financial equilibrium and the 1994 foreign debt contracting proposals.

During debates surrounding the two proposals, reference has been made to the government's economic program as well as the position adopted by the Executive Branch on the Peruvian debt held by the international financial community. In this respect Independent Moralization Front Congressman Ernesto Gamarra stated that with each passing day or hour, the Peruvian foreign debt grows by $4.7 million. [sentence as heard]

Peru's Foreign Minister Says Exceptional Measures Necessary

PY1012214493 Buenos Aires LA PRENSA in Spanish 9 Dec 93 p 11

[Interview with Peruvian Foreign Minister Efrain Goldenberg by reporter Gustavo Poch in Buenos Aires; date not given]

[Excerpts] [Passage omitted] [Poch] The measures instituted by [President Alberto] Fujimori in April 1992 indicate an about-face in Peru's policy concerning its insertion in the inter-American system and its relations with the United States. What is the nature of it?

[Goldenberg] That has been totally overcome. There is now an effective integration. It is totally unnecessary for me to underscore this because it is public knowledge, but Peru has duly honored all its commitments with Latin America. The Peruvian Government's policy is unquestionable. Not even the opposition argues about it. Our problems with the United States are very specific, i.e. what some would call problems with the United States, and are not related at all to the legitimacy of the current administration. The U.S. Government does not question the legitimacy of Fujimori's administration in our bilateral relations.

[Poch] Has there been any shift in the United States' relations with Peru following the change from a Republican to a Democratic administration?

[Goldenberg] I accompanied President Fujimori on his visit to the United States and I can assure you that there has been no shift whatsoever in the United States' stance vis-a-vis our country. Undoubtedly, we in Peru have had to implement emergency measures since the country is in the midst of a domestic struggle against a bloodthirsty and merciless terrorism, which has been instigating dissension for more than 13 years and has brought material damage amounting to more than $20 billion in its wake. This fight against terrorism entailed taking exceptional measures in order to be able to make some headway. Some of those measures may have been deemed excessive or—in light of their exceptional nature—extralegal. However, we have stated once again that those exceptional measures were provisional and that little by little things were going to go back to normal, and so they were. At the proposal of the executive branch, Congress has taken the edge off many of those exceptional measures.

[Poch] What is your government's stance on Fidel Castro's regime?

[Goldenberg] We further a policy of nonintervention in the internal affairs of other countries. Cuba is a country with which we maintain diplomatic and friendly relations. Its regime is different from ours, but we respect the right of our sister nations to conduct their own affairs in the way they think fit.

[Poch] What is your opinion of Clinton's warning to the Venezuelan political sector concerning the possible annoyance by the United States in case of a coup d'etat?

[Goldenberg] We do not approve of democratic regimes being disrupted either. We consider our regime legitimate, since President Fujimori has reiterated that a ruler must govern, rather than just managing ... and governing sometimes requires taking emergency measures. Fujimori has drawn a comparison between the 22,000 or 25,000 fatal victims of terrorist attacks in our country and said that if these figures were to be transposed to the American scale, the number of dead would amount to some 350,000. Fujimori said that it is unthinkable that the U.S. Government would sit back and do nothing if a terrorist movement created havoc in that country killing 250,000 in 13 years. I would rather not voice an opinion of what each person should do. And yet, I totally share my president's stand in the sense that a scourge like this indisputably requires clear-cut attitudes, and the results show that we have made great strides not only in the economic area, but also in reducing terrorism.

[Poch] Do you think that the United States erred in trying to impose an uncompromising concept of democracy on Latin American countries?

[Goldenberg] I do not wish to assess either the successes or the mistakes made by another government. This goes beyond the whole spectrum of possibilities open to a minister. However, I believe that each of us must, according to one's level and country, do what is best for one's homeland. Notwithstanding this, I think that a double-standard policy is sometimes furthered.

[Poch] Has Peru been ostracized by the international community in any way?

[Goldenberg] We believe that that issue has been totally overcome.

[Poch] Are Peru's relations with international organizations good? Does it have access to credit?

[Goldenberg] They are very good. We are making progress. There are still some matters pending, but we are moving ahead. Now, going back to the previous subject, I ought not to refer to specific cases from other countries, but I think that the same yardstick is not always used to measure similar actions. [passage omitted]

[Poch] How would you define relations between Argentina and Peru?

[Goldenberg] They are excellent. We are going to witness a new drive to further bilateral relations and the resulting tightening of our relations will be remarkable. We have always greatly valued our ties of friendship with Argentina.

[Poch] Is President Fujimori going to run for the presidency in 1995?

[Goldenberg] He has not yet said anything about that. It is a distinct possibility, but I have never heard him speak about it.

Police Capture Top Drug Supplier to Cali Cartel

PA1012175293 Madrid EFE in Spanish 1547 GMT 9 Dec 93

[Text] Lima, 9 Dec (EFE)—According to the Peruvian media, a man arrested today, Humberto Chavez Penaherrera, alias Calavera, was Peru's main supplier of cocaine to Colombia's Cali Cartel.

The media, quoting police sources, also reported today that twelve days ago Chavez' sister, Bertha, also known as La Calena or Perla Fina, was released for lack of evidence after she paid approximately $40,000 in bribes.

"Calavera" is the brother of Limoniel Chavez, alias Vaticano, who fled Peru to avoid arrest and who, according to the authorities, is now in Colombia, where he directs a band of drug traffickers.

The daily EL COMERCIO, quoting counternarcotics police sources, reported today that Vaticano shipped five tons of cocaine weekly to the Cali Cartel. Vaticano was replaced by Calavera, who increased the amount of drugs being shipped to the Cali Cartel. Calavera operated in the valley of the mighty Huallaga River in northern Peru.

Chavez operated in this region of the jungle-filled San Martin Department from the towns of Tocache, Sion, and Campanilla, which have long-standing connections to drug trafficking operations.

According to the daily, Calavera set up a series of laboratories to produce the drug in jungle locations that could be reached only by air, thus the noise made by police helicopters always gave him and his accomplices time to escape.

Calavera was finally arrested in Campanilla and taken to the Santa Lucia counternarcotics base, where a thick police record on him is being prepared before he is placed, through a special prosecutor, at the disposal of the court.

The police hope that what happened with Bertha does not happen with Calavera. An Iquitos judge released Bertha saying that "there is no evidence against her."

LA REPUBLICA today reported on this same case, which also has caught the attention of local television stations that have broadcast information on the activities of the Chavez family.

Judge Jaime Cardenas, who assumed his post on 19 October and who ordered the release of Bertha Chavez on 26 November, said: "If the police have clear and specific evidence, let them inform us, let them tell us that evidence."

According to this daily, some of Bertha's fellow prison inmates reported that she had told them she "was going to get out soon because she had invested $35,000" to speed up her release from prison.

LA REPUBLICA's figure is not greatly different from estimates made by Peruvian counternarcotics police agents. The agents believe that the "investment" must have been for approximately $40,000, according to information obtained from a secret police service.

The daily cites U.S. Embassy sources in Lima linked to the struggle against drug-trafficking. According to those sources, Bertha Chavez is "general manager" of a network created by her brother Vaticano. Berth also manages the band's finances.

The same sources have reported that in spite of Limoniel Chavez' departure from the country, the organization is one Peru's most powerful drug trafficking bands based on the amount of drugs it ships to Colombia and the amount of money it puts into circulation to facilitate its activities.

Uruguay

Lacalle Congratulates Chilean President-Elect

PY1312113993 Madrid EFE in Spanish 1815 GMT 12 Dec 93

[Excerpt] Montevideo, 12 Dec (EFE)—Uruguayan President Luis Alberto Lacalle today phoned Chilean President-elect Eduardo Frei to congratulate him and to express satisfaction over the exemplary civic election day on Saturday.

Government sources have said that Lacalle emphasized the significance of the Chilean elections for Latin America and for democracy. [passage omitted]

President Says GATT Failure Can Be Ruled Out

PY1112024093 Montevideo Radio El Espectador Network in Spanish 0000 GMT 11 Dec 93

[Excerpts] According to GATT sources, the 115 countries that are participating in the Uruguay round of GATT negotiations today reached a preliminary agreement about taxes on financial services. [passage omitted]

Uruguay President Luis Alberto Lacalle commented on this accord today and on the Common Market of the South [Mercosur].

[Begin recording] [Lacalle] We can rule out failure. Perhaps we will not achieve everything that we desire, but luckily the Uruguay round has been revived—our country has played a very significant role in this—and the forces of progress, change and economic freedom have prevailed over protectionist forces which have a very shortsighted view of what is happening in the world.

[Unidentified reporter] Mr. President, I would like you to tell us about the meaning and significance of certain statements reported today to the effect that Argentina will join NAFTA with or without Mercosur. Explain to us how this can be.

[Lacalle] Argentina cannot do it. I believe that the Argentine economy minister got overly enthusiastic. We have always said—and we repeat—that Mercosur must negotiate as one unit, that it must join or leave any other organization in a bloc and that is how it should be. [end recording]

GATT Failure Threat Said 'Disappearing'

PY1112182293 Madrid EFE in Spanish 1603 GMT 11 Dec 93

[Article by Alberto Pepe Leira]

[Text] Montevideo, 11 Dec (EFE)—Uruguayan Foreign Minister Sergio Abreu, who is president of the Uruguay round of the GATT talks, asserted today that the chances for negotiations to fail and for a "commercial war" to break out, as had been feared, are disappearing. Abreu warned, however, that the results will not be satisfactory to the developing countries, because the "great powers harm us every time they reach an agreement among themselves."

The foreign minister said he had informed the developing countries of Latin America's disagreement with the series of amendments made to the Final Act on agricultural issues, following a harsh confrontation between the United States and the member countries of the European Union, especially France.

Abreu returned to Montevideo to brief Uruguayan authorities on the development of the latest negotiations, and announced that he will return to Geneva next week to attend the conclusion of the Uruguay round, which began seven years ago in the summer resort of Punta del Este.

The Uruguayan foreign minister noted that "the agreement between the United States and the European Union has to a certain degree unlocked the talks, which are now becoming multilateral so that by 15 December the 116 GATT member countries may reach an agreement." Abreu added that "this situation is good news from an institutional and political viewpoint, as it avoids a commercial war, which would have harmed the interests of the developing countries."

He noted, however, that there are still "some difficulties," such as the lack of an agreement regarding clothing. Despite the last-minute problems Abreu asserted that GATT is about to become "a new world organization for trade that will encompass regulations for more sectors, such as services, intellectual property, antidumping [preceding word in English] regulations, agricultural production, which will be included for the first time, and the industrial sector."

Agricultural and services issues have been the real problem since the beginning of the GATT negotiations in Punta del Este seven years ago. On that occasion the United States clashed over the services issue with developing countries headed by Brazil and India.

The problem of agricultural subsidies in the developing world, and the harm that it causes the efficient producers, gathered under the Cairns Group, added to the first obstacle. Argentina, Uruguay, New Zealand, Australia, and Canada, among others, belong to the Cairns Group. The foreign minister was very explicit in his comments, and said finally that "there are no more chances of a commercial war," which was feared if the GATT round failed.

Uruguayan President Luis Alberto Lacalle affirmed that the round would end and would not be a failure, although he admitted that "it will not be what we wanted, but fortunatelly it will conclude." Lacalle praised his foreign minister's efforts to prevent the failure of the GATT round.

After receiving a detailed report on the development of the negotiations under way in Geneva, Lacalle told journalists that "the round will not be the same as that proposed by Uruguay, among other things because the world is now quite different than what it was seven years ago and, unfortunately, because our country's message was not interpreted."

Uruguay had made "an appeal for a great commercial opening, which is necessary for the prosperity of the nations," added Lacalle.

Joint Uruguayan-PRC Communique Issued in Beijing

PY1112173493 Montevideo LA MANANA in Spanish 7 Dec 93 p 4

["Joint press communique" issued by the PRC and Uruguayan Governments in Beijing on 5 December on the occasion of Uruguayan President Luis Alberto Lacalle's visit to the PRC]

[Text] In response to an invitation extended by PRC President Jiang Zemin, the president of the Oriental Republic of Uruguay, Luis Alberto Lacalle, between 29 November and 5 December 1993 paid a state visit to the PRC, accompanied by a delegation that included Foreign Minister Sergio Abreu, Economy and Finance Minister Ignacio de Posadas, and other government officials as well as a large number of businessmen involved in trade between the two countries.

During his stay in the PRC, Uruguayan President Luis Alberto Lacalle and PRC President Jiang Zemin assessed and exchanged extensive viewpoints on the world situation, international issues of common interest, and the further development of bilateral relations.

President Lacalle also held a cordial and friendly meeting with PRC Prime Minister Li Peng.

On the occasion, the two chiefs of state referred to global political and economic issues, the reform of the United Nations, the peace process in the Middle East, the regional situation in Asia and Latin America, South-South cooperation, the regional blocs, and Mercosur [Common Market of the South], etc. Lacalle and Li Peng shared identical or similar viewpoints on several issues.

The two chiefs of state voiced their desire that the signatories to GATT spare no efforts in attempting to create the necessary conditions for concluding this year the current round of multilateral negotiations with a fair global agreement. Uruguay reiterated its support for the admission of the PRC as a GATT member, for which the PRC voiced its gratitude.

During the meeting Lacalle and Li Peng also discussed the current state of the relationship between the two nations, and especially Uruguayan-PRC trade. They also acknowledged the importance of the commercial agreements and other economic agreements that have been signed between the two countries since bilateral relations were established. In this regard, they asserted that their respective governments will implement measures to step up and diversify commerce and to develop mutual investments, in order to give the bilateral relations a new impetus.

The Uruguayan side reiterated the contents of the joint communique establishing diplomatic relations signed on 3 February 1988. The PRC reiterated its appreciation to Uruguay for its support for the theory of a single China.

The chiefs of state reiterated the friendship shared by the governments and peoples of the two countries, which has allowed for the strengthening of bilateral relations.

President Lacalle's visit has maintained the continuity of high-level exchanges between the PRC and Uruguayan Governments. On this occasion the two governments have signed numerous political, economic, and technical cooperation agreements.

The agreement on mutual exemption from visas will allow the expansion of the range of application of the previous relevant agreement signed on 7 November 1988.

The agreement promoting and protecting investments will create favorable conditions for promoting investors' economic initiatives, thus contributing to the two countries' development.

The Uruguayan party voiced its interest in developing a specific technological exchange program in the animal breeding field, designed to complement efforts in sheep farming and wool processing. The PRC acknowledged this offer, and expressed its willingness to assess it exhaustively.

The implementation of the Economic and Technical Cooperation Protocol will allow the development of projects in the apiculture and and pisciculture fields, and the agreement on a credit line granted by the PRC Government to the government of the Oriental Republic of Uruguay, signed on 7 November 1993, will start to be implemented.

The two parties noted the importance of the Technical Cooperation Agreement signed between the Technological Laboratory of Uruguay (Latu) and the PRC General Administration for Inspection of Import and Export Commodities (SACI), which will materialize cooperation and exchange in the quality control field.

It should be mentioned that the signing of the aforementioned bilateral instruments crystallize the desire to attain a greater diversification in the current relationship between the Oriental Republic of Uruguay and the PRC.

During his visit to the PRC, Luis Alberto Lacalle and the members of his retinue also visited the cities of Shenzhen, Guangzhou, and Shanghai.

The president of the Oriental Republic of Uruguay, Luis Alberto Lacalle, voiced his gratitude to the PRC leaders, government, and people for the cordial welcome he received during his stay in the PRC.

Venezuela

President Remarks on Elections, Protest on 10 Dec

PA1012030093 Caracas Venezolana de Television Network in Spanish 2350 GMT 9 Dec 93

[From "The News" newscast]

[Text] President Ramon Jose Velasquez has said that the behavior of the Venezuelan people on 5 December has dispelled many doubts and blazed a new path. The president made this statement as he was leaving a meeting at Miraflores Palace with representatives of the top electoral organization during which they discussed the elections and their outcome.

As for the new composition of the parliament, President Velasquez said that a new outlook was created, because the group that had been in place since 1963 was changed for the first time. He thinks that this new political spectrum will blaze paths in all areas:

[Begin recording] [Velasquez, in progress] ...that I have proposed since June. We must reach agreements on three or four issues. The main one is how to tackle the fiscal deficit. There are also social problems. I place great importance on readjusting the relationship between the various social segments. The same applies to the modifications, major modifications, in the economic and financial areas.

[Unidentified reporter] The Radical Cause presidential candidate is calling for a demonstration on the evening of 10 December; what will the government do?

[Velasquez] Maintaining public order is our permanent duty, but we do not oppose demonstrations by the various sectors as long as law and order are respected. [end recording]

CSE Issues Final Count Bulletin

PA1012035493 Caracas Radio and Television Networks in Spanish 0310 GMT 10 Dec 93

["Official bulletin" read by Isidro Morales Paul, president of the Supreme Electoral Council, CSE, at the CSE Headquarters in Caracas—live]

[Text] Republic of Venezuela, Supreme Electoral Council [CSE]. Directorate of Analysis and Programming, Vote-counting System for the 1993 Presidential Election:

Final Bulletin, No. 6, Venezuelan Presidential Elections.

Number of electoral certificates counted: 22,441

Number of valid votes: 5,616,699

Total of votes counted: 5,829,216 or 97.15 percent of total

Name of Candidate:	Number of Votes:	Percentage:
Rafael Caldera	1,710,722	30.45
Claudio Fermin	1,325,287	23.59
Oswaldo Alvarez Paz	1,276,506	22.72
Andres Velasquez	1,232,653	21.94
Modesto Rivero	20,814	0.37
Nelson Ojeda Valenzuela	18,690	0.33
Luis Alberto Machado	6,851	0.12
Fernando Bianco	5,590	0.10
Jose Antonio Cova	4,937	0.08
Gabriel Puerta Aponte	3,746	0.06
Rona Ottolina	3,633	0.06

Name of Candidate:	Number of Votes:	Percentage:
Romulo Abreu Duarte	1,554	0.02
Jesus Tam	1,251	0.02
Blas Garcia Nunez	1,198	0.02
Juan Chassin	981	0.01
Carmen de Gonzalez	856	0.01
Felix Diaz Ortega	780	0.01
Temistocles Fernandez	640	0.01

Electoral President Says Candidates' Positions Final

PA1112192193 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 Dec 93

[Report by Jose Marcano for "The News" newscast]

[Text] Isidro Morales Paul, president of the Supreme Electoral Council [CSE], said the CSE is responsible for totalling the votes for president of the country but not for congressional deputy seats. He added that the definitive CSE bulletin failed to tally only 656 electoral certificates.

According to Morales' estimate, the 656 electoral certificates represent approximately 196,800 presidential votes, which, according to him, would not affect the final outcome. That means the top four candidates' vote-count positions listed in the fourth CSE bulletin remain the same.

Morales said that groundless charges regarding Sunday's elections, which taint Venezuela's image, cannot continue. He congratulated the media and the CSE workers for their performance. He also called on the members of the most important electoral boards to resolve their individual problems among themselves because they are autonomous organizations. Here is what Morales said:

[Begin recording] [Morales] We are not worried. We have clear consciences. Void electoral certificates are available, and the legal commission that voided those certificates are serious people who belong to the various independent political organizations. We can give you a list of those organizations.

If you want to believe that the party representatives who were there and who signed the certificates sold themselves out, then, gentlemen, I am afraid there is no salvation for this country. [end recording]

The possibility exists for some political parties to legally request a recount as 676 electoral certificates have not been tallied.

President on Possible U.S. Restrictions on Gasoline Imports

PA1112040993 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 Dec 93

[Report by Cecilia Pachano; from "The News" newscast]

[Text] President Ramon Jose Velasquez will meet with the Liaison Commission to discuss the problem posed by the possibility that the United States will apply restrictions on our country on the importation of gasoline.

Velasquez made these statements during a news conference held in Maracay, in which he reiterated there is political peace in the country. He added he does not object to the pot-banging protest announced by Radical Cause, because this is a part of democracy. He explained he hopes this protest does not result in disruptions of public order.

Consulted on the possibility that international organizations, such as the IMF or the World Bank, will exert pressure for the adoption of some measures, he said these institutions respect the national sovereignty.

[Begin Velasquez recording] Should this provision be approved without us waging a struggle there, it may mean that as of 1 January 1995 we could stop exporting 50,000 barrels per day. We are waging that struggle. [end recording]

Later, pilots from different Air Force groups displayed their skill in an impressive show that dazzled the attendees. In this manner the Venezuelan Air Force confirmed its technical and operational capacity.

Velasquez Says New Taxes Needed in 1994

PA0912213893 Caracas Venezolana de Television Network in Spanish 2350 GMT 7 Dec 93

[From "The News" newscast]

[Text] Venezuelan President Ramon Jose Velasquez believes fiscal difficulties in 1994 will force the president to find solutions and that it will be necessary to increase the state's income by creating new taxes.

President Velasquez made these remarks following a meeting with cabinet members. After the meeting the president took advantage of the occasion to take a historic photograph with the cabinet members.

Velasquez told reporters that all of the negative predictions concerning the elections had been dashed, and that is why the government is optimistic and believes the debt bonds will recover on the international capital market.

Nevertheless, Velasquez insisted that the fiscal deficit must be reduced by establishing new taxes, because, he said, the state needs the money to pay its debts.

Velasquez took advantage of his meeting with the press to express satisfaction over having completed the first phase of the goal he established when he took office. He said that two months of heavy work lie ahead.

[Begin Velasquez recording] Taxes, regardless of the name they are given, are needed because the state must pay wages and salaries, and maintain services, health care, educational needs, roads, and pay off the burdensome foreign debt, which will increase next year because we are going to begin making payments to capital. At any rate—even if the debt is renegotiated—1994's fiscal difficulties will force us to establish outlets. [end recording]

The president also took advantage of the meeting to be photographed with the reporters, cameramen, and photographers who cover Miraflores Palace and whom he has always viewed and treated as colleagues.

President Velasquez plans to tour Carabobo State tomorrow. He will hold his usual Council of Ministers meeting on 9 December and will attend events marking the Venezuelan Air Force's anniversary on 10 December.

President Assures Commitment to G-3 Integration

PA0912155893 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 6 Dec 93

[Telephone interview with Venezuelan President Ramon J. Velasquez by unidentified reporter; from "Caracol's 0600 to 0900" newscast—live]

[Excerpt] [Passage omitted] [Reporter] Mr. President, do you think that there could be obstacles to full-fledged operations of the so-called G-3 Group [Group of Three—Colombia, Venezuela, and Mexico] once all problems involved are solved?

[Velasquez] We are integrationists, sincere integrationists. I can speak with authority on this subject because I was president of the Colombian-Venezuelan Border Integration Commission for five years. I made over 18 trips. I was in Santa Fe de Bogota on innumerable occasions to meet with President Barco and the Cesar Gaviria administration.

The Colombian Border Commission led by Enrique Vargas Ramirez and the my commission met in Bucaramanga, Valledupar, Cucuta, Cartagena, and many other places. The integrationist spirit and Colombian- Venezuelan economic relations are advancing very well; they are growing daily. They have consolidated following the G-3 energy agreement among Venezuela, Colombia, and Mexico.

We reaffirmed this at a meeting [word indistinct] month on the island of Trinidad with the Caribbean Common Market and later in Santiago, Chile. All Venezuelan sectors are integrationist.

Banking Official, President, Governor Comment on Economy

PA1012001093 Caracas Venezolana de Television Network in Spanish 0000 GMT 8 Dec 93

[From the "La Noticia" newscast]

[Text] Jose Bouzas Izquierdo, National Banking Council president, has announced that Venezuela's economy is regaining stability and capital is flowing back into the country following the 5 December elections, which did away with the purported coups d'etat and economic debacles. Saida Pereira has a report:

[Begin recording] [Pereira] The National Banking Council president has said that the dollar's upward trend has come to a halt, while capital taken out of the bank vaults are returning to the country. In his opinion, there are three reasons why there was a lack of foreign exchange, in addition to the Christmas payments that were made: One was that the people were saving money at home in case of any problem after the elections; two, the purchase of dollars was affecting bolivares in the Central Bank of Venezuela; and three, short-term deposits were being made, especially from one day to the next. The situation seems to be improving, however.

[Bouza] Based on firsthand knowledge, we can say first of all that money is returning in significant amounts; second, there have not been large purchases of foreign exchange; third, money operations involving bolivares are returning to normal. As I explained earlier, these operations had been inconsistent in the past few days. Apparently, the market has regained calm, and the cash flow situation has improved. Bank operations are much better now, and I think the situation is returning to normal.

[Pereira] According to Jose Bouza Izquierdo, talks will continue, above all, between the financial sector and the Venezuelan president. He says a bloc must be formed to prevent the economy from falling. [end recording]

In this regard, President Ramon J. Velasquez has guaranteed foreign investors stability, although economic legislation has been modified. The president has said that investments will come, because foreign investors have total confidence in our country. He said this during his visit to Carabobo State where he met with regional businessmen and inspected work carried out in the historical region of Puerto Cabello.

[Begin Velasquez recording] The scheme of economic and financial legislation has been modified in such a way that total guarantees are being given to foreign investors—legal security and security for investment. In addition, despite the fact that the country has been portrayed as it has, Venezuela is like a magnet of attraction. Here, we have had a mushrooming of communities, not only of Colombians but of Ecuadoreans, Peruvians, and Bolivians as well. I do not know from where they come. Also, the Dominican, Haitian, and Guyanese communities are also growing; obviously, they are finding reasons of stability and security in Venezuela, which we fail to see; that is the truth. [end recording]

Regarding the country's economic stability following the elections, Enrique Salas, Carabobo State governor, has said that each region is contributing its grain of sand to achieve the tranquility the people want.

[Begin Salas recording, in progress] ...is continuity and is not a bunch of people. A nation gains its identity in the same proportion that it recovers its essence. The people of Puerto Cabello are very pleased, therefore, with the president's visit. [end recording]

Regarding the situation in international markets, as a result of Rafael Caldera's statements, Juan Tomas Santana, Banking Association president, has said that the situation is a passing thing. Saida Pereira has a report:

[Begin recording] [Pereira] After expressing his support of President-elect Rafael Caldera, the Banking Association president, accompanied by important officials of the financial sector, offered to rally around Caldera to achieve the country's economic stability; in that context, Santana dismissed the importance of international reactions to some of Caldera's announcements.

[Santana] I think that with all of our help, the situation will improve immediately. These are things that perhaps were assessed hastily at the moment. President Caldera's image has sufficient strength, however, to accredit Venezuela's presence in international markets. I think, therefore, that it is a passing thing.

[Pereira] The financial sectors will continue to hold meetings, awaiting the measures that the new government will adopt, with the purpose of giving ideas on the strategies to be implemented.